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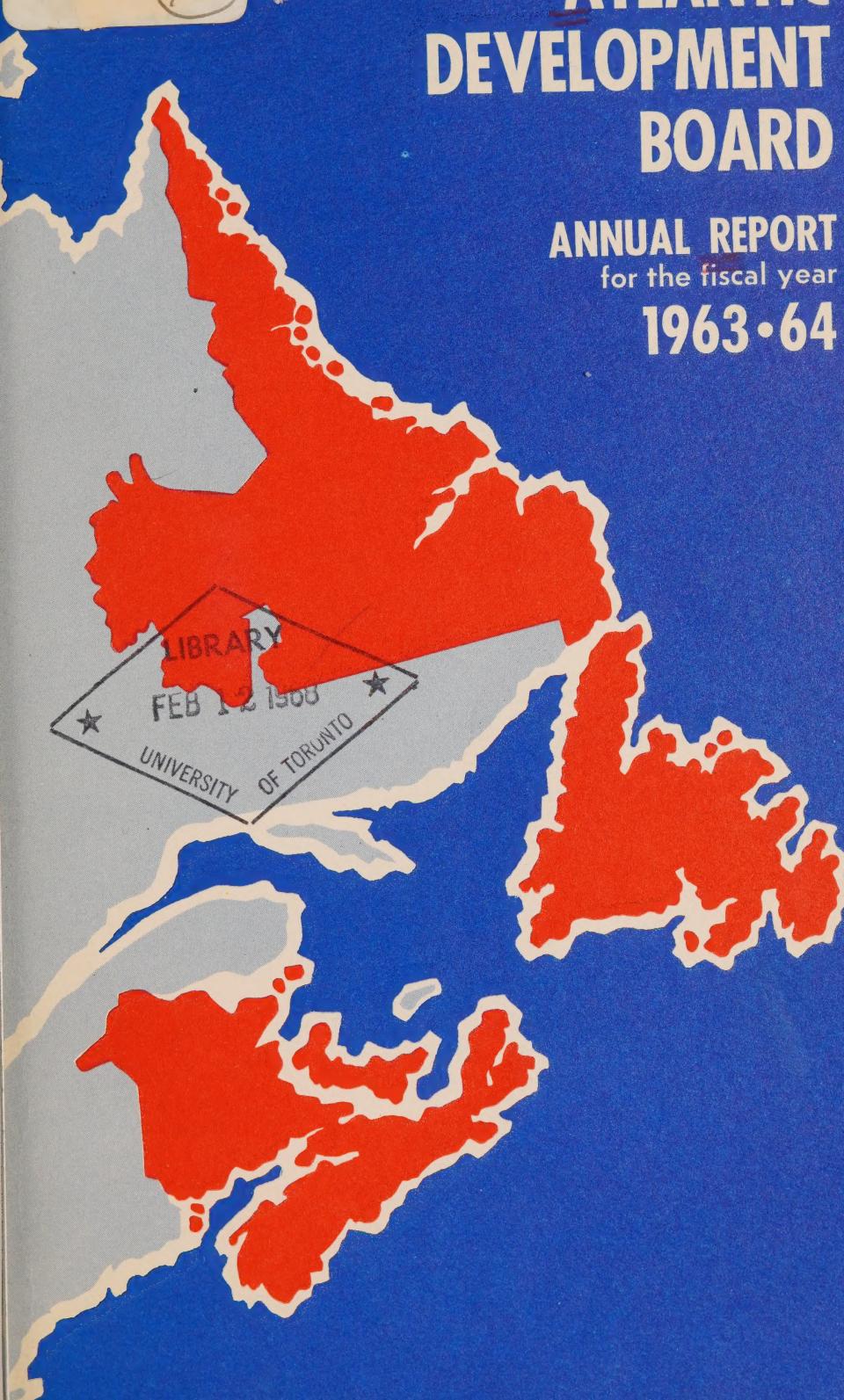
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Canada

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ATLANTIC DEVELOPMENT BOARD

ANNUAL REPORT
for the fiscal year
1963-64



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ATLANTIC DEVELOPMENT BOARD

*Annual Report for the fiscal year
1963-64*

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THE MINISTER OF TRANSPORT,
OTTAWA*

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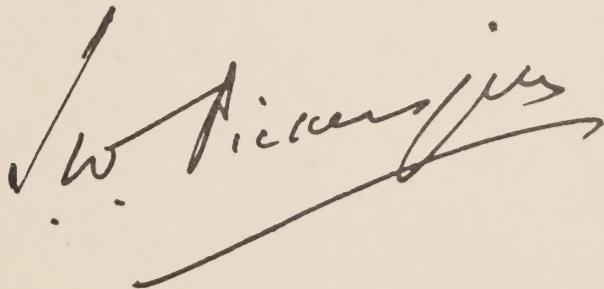
MINISTER OF TRANSPORT

To HIS EXCELLENCY GENERAL GEORGES P. VANIER, D.S.O., M.C., C.D.
Governor General and Commander-in-Chief of Canada.

MAY IT PLEASE YOUR EXCELLENCY:

I have the honour herewith, for the information of Your Excellency and the Parliament of Canada, to present the Annual Report of the Atlantic Development Board and the financial statements of the Board for the fiscal year 1963-1964.

Respectfully submitted,



Minister of Transport

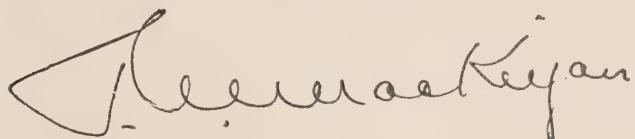
THE HONOURABLE J. W. PICKERSGILL, M.P.,
Minister of Transport,
Ottawa, Ont.

SIR:

I submit herewith the Annual Report of the Atlantic Development Board and the financial statements of the Board for the fiscal year 1963-1964.

I have the honour to be, Sir,

Your obedient servant,

A handwritten signature in cursive ink, appearing to read "J. Bruce Keegan".

Chairman

C O N T E N T S

	PAGE
Introduction	9
The Establishment of the Board	10
Amendment to the Act	10
Objects and Powers	10
Board Members	11
Staff and Office	13
Administration and Operations	13
Liaison Officers	14
Provincial Sub-Committees of the Board	14
Accounting	14
Relation with other Federal Departments	14
Board Meetings	15
Staff Visits	15
Activities of the Board	15
I. Power	16
II. Transportation	17
III. Primary Industries, including processing	18
IV. Secondary Manufacturing Industries	19
V. Economic Planning	19
VI. Miscellaneous	20

APPENDICES

1. Financial Statements, Auditor General's Report, 1962-63	21
2. Financial Statements, Auditor General's Report, 1963-64	22
3. 11. ELIZABETH II. CHAP 10, 1962-63	23
(An Act to provide for the establishment of an Atlantic Development Board)	
4. 12. ELIZABETH II. CHAP. 5, 1963	28
(An Act to amend the Atlantic Development Board Act)	

ANNUAL REPORT OF THE ATLANTIC DEVELOPMENT BOARD—1963-64

Introduction

The four Atlantic Provinces—New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland—form a distinct region in the Canadian economy, both because of their geographical position and the similarities of many of their problems.

The region, since the turn of the century, has not enjoyed a level of economic activity comparable with the rest of the country except in periods such as were experienced during the two world wars. With few exceptions, the region was unable to establish a manufacturing economy which could successfully compete with the more favourably located industries in the central provinces. Moreover, it lost some of its local advantages in the agricultural sector after the opening of the Canadian west. In addition the Panama Canal brought lumber products from the west coast of Canada to compete in the traditional Maritime markets on the Atlantic seaboard.

Over the years the inability of the local economy to provide employment for the growing population of the region has resulted in a continual flow of people from the Maritime Provinces, and more recently from Newfoundland, to the rest of Canada and the United States. In spite of this flow, levels of unemployment have been high and the proportion of the population participating in the labour force has been considerably smaller than in the rest of Canada. Recent declines in employment in the basic industries of the region and the lack of sufficient growth in secondary manufacturing to offset these declines is a matter of concern in many local areas of the region.

The level of personal income per head is somewhat less than two-thirds that of the nation, and in recent years has been growing at about half the national rate. The population of the region is about 2 million, of whom nearly half live in rural areas. Of those who live in urban areas, less than one-third live in urban centres of 100,000 and over. For Canada as a whole, the proportion of the total population living in rural areas is less than one-third and of those living in urban areas nearly two-thirds live in centres of 100,000 and over.

The economy of the Atlantic Region is much more dependent upon the primary industries in terms of both output and employment than the rest of Canada. Since World War II, the labour force attached to the primary

industries has been declining steadily. This has happened because of: (1) improvements in technology which further increased the substitution of capital for labour; (2) shifts in the pattern of demand for products; (3) increasing competition for primary products in world markets; and (4) changes in the organization of industry which increased the efficiency and output of the existing capital stock and labour force. These factors were at play in the whole Canadian economy but because the primary industries are relatively more important in the Atlantic region their impact is much more severe.

Over the same period, the only significant increases in employment opportunities have come from the 'service producing' sector of the economy. The labour force required by the service sector is very different from that required by the primary industries. *First*, it generally employs a larger proportion of women. *Second*, industries in this sector are usually located in urban areas. *Third*, it requires workers with a higher level of education, and different types of skills.

The Establishment of the Board

(See also Appendix 3)

The Bill establishing the Atlantic Development Board was given Royal Assent on December 20, 1962 (11 Elizabeth II, Chapter 10—An Act to provide for the establishment of an Atlantic Development Board).

Amendment to the Act

(See also Appendix 4)

The Bill to amend the Atlantic Development Board Act received Royal Assent on July 31, 1963 (12 Elizabeth II, Chapter 5—An Act to amend the Atlantic Development Board Act).

The amendment provided for an increase in the number of members of the Board from 5 to 11, and for the establishment of an Atlantic Development Fund of One Hundred Million Dollars as a separate account in the Consolidated Revenue Fund.

Objects and Powers

(See also Appendix 4)

Section 9 of the Atlantic Development Board Act, as amended, outlines the objects and powers of the Board as follows:

"9. (1). The objects of the Board are to inquire into and report to the Minister upon *programs* and projects for fostering the economic growth and

development of the Atlantic region of Canada, and to *consider, report* and make recommendations to the Minister concerning programs and projects not involving the use of the Fund and programs and projects involving the use of *the Fund*; and without limiting the generality of the foregoing, the Board may, in furtherance of its objects,

- (a) prepare, in consultation with the Economic Council of Canada, an overall co-ordinated plan for the promotion of the economic growth of the Atlantic region;
- (b) keep under constant review appropriate methods of furthering the sound economic development of the Atlantic region, whether such methods involve new *programs* and projects or the removal or mitigation of existing factors that may be considered to inhibit such development;
- (c) with respect to particular *programs* or projects that may be referred to it by the Minister *or that the Board may on its own initiative investigate*, inquire into, assess and report to the Minister upon the feasibility of such *programs* or projects and the effect thereof in relation to the economy of the Atlantic region, and make recommendations to the Minister with respect to any such *programs* or projects that, in the opinion of the Board, will contribute to the growth and development of the economy of the Atlantic region; and
- (d) with the approval of the Governor in Council, enter into agreements with
 - (i) the government of any province comprised in the Atlantic region or the appropriate agency thereof, or
 - (ii) any other person,
respecting the use of the Fund in financing or assisting in financing the undertaking and the carrying out of particular programs or projects described in subsection (1) of section 16.

(2) The Board shall, to the greatest possible extent consistent with the performance of its duties under this Act, *consult and co-operate with the Economic Council of Canada*, and all departments, branches and other agencies of the Government of Canada having duties related to, or having aims or objects related to those of the Board."

Board Members

Under the original Act, the Board was to consist of five members to hold office as follows: two for five years; one for three years; and two for four

years. The following were appointed by Governor in Council on January 24, 1963:

Brigadier Michael Wardell,
Chairman Fredericton, New Brunswick

Mr. Frank Sobey,
Vice-Chairman Stellarton, Nova Scotia

Mr. Melvin McQuaid, Q.C. Souris, Prince Edward Island

Mr. Donat Lalande Moncton, New Brunswick

Mr. Fred W. Ayre St. John's, Newfoundland.

In accordance with the Act, as amended, six new members were added to the Board. The following were appointed on August 2, 1963, to be members until January 24, 1966:

Mr. Ian Malcolm MacKeigan,
Q.C. *Chairman* Halifax, Nova Scotia

Mr. Robert Cheyne Eddy Bathurst, New Brunswick

Mr. Albert Martin Corner Brook, Newfoundland;

to be members until January 24, 1965—

Mr. Carl Frederick Burke Charlottetown, Prince Edward Island

Captain Maxwell Burry Glovertown, Newfoundland

Mr. Stephen A. Dolhanty Florence, Nova Scotia.

The Act, as amended, also provided that four of the original members should be appointed for a term of one year; one for a term of two years as from January 24, 1963.

Mr. Donat Lalande resigned as a member of the Board on August 12, 1963, due to pressure of private business. His resignation was accepted on September 12, 1963, and Mr. Armand H. Cormier of Moncton, New Brunswick, was appointed to complete his term of office.

At the Board Meeting of August 6, 1963, Mr. Frank Sobey resigned as Vice-Chairman, and Brigadier Michael Wardell was unanimously elected Vice-Chairman.

On December 17, 1963, the Governor in Council reappointed Messrs. Sobey, McQuaid, Ayre and Cormier.

The standing of Board Members as at March 31, 1964 was as follows:

<i>Name</i>	<i>Date of Appointment</i>	<i>Expiration Date</i>
Ian M. MacKeigan, Q.C., <i>Chairman</i>	August 2, 1963	January 24, 1966
Brigadier M. Wardell, <i>Vice-Chairman</i>	January 24, 1963	January 24, 1965
Robert Cheyne Eddy	August 2, 1963	January 24, 1966
Albert Martin	August 2, 1963	January 24, 1966
Captain Maxwell Burry	August 2, 1963	January 24, 1965
Carl Frederick Burke	August 2, 1963	January 24, 1965
Stephen Dolhanty	August 2, 1963	January 24, 1965
Frank H. Sobey	January 24, 1964	January 24, 1967
Melvin J. McQuaid, Q.C.	January 24, 1964	January 24, 1967
Fred W. Ayre	January 24, 1964	January 24, 1967
Armand H. Cormier	January 24, 1964	January 24, 1967

Staff and Office

The Executive Director, Dr. E. P. Weeks, was appointed by Governor in Council effective March 1, 1963, Dr. Weeks is originally from Prince Edward Island.

During March and April, 1963, the following staff appointments were made:

Senior Economist: F. J. Doucet, Originally from Nova Scotia

Economist: C. Simecock, Originally from New Brunswick

Secretary: C. P. Russell, Originally from Newfoundland

Dr. G. C. Monture, O.B.E., Consultant

A supporting staff of four was also appointed.

The offices of the Board were established at 71 Bank Street, Ottawa.

Administration and Operations

An Annual Parliamentary Appropriation is provided to cover Staff Salaries and Travelling Expenses, Office Operating Expenses, Travelling Expenses of Board Members while attending Board Meetings and while engaged on Board business.

Consultant Fees and travelling expenses are paid from the appropriation and not from the Atlantic Development Fund, unless the study forms part of the Project.

Expenditures from the Fund are made only after approval of the Governor in Council, following a recommendation by the Board to the Minister.

Liaison Officers

On the suggestion of the Minister, the Honourable J. W. Pickersgill, to the four Atlantic Provinces, Ministers or officials were designated to act as Liaison Officers with the Board. The Premiers named the following:

Nova Scotia	Honourable E. A. Manson, Minister of Trade and Industry
New Brunswick	Honourable L. G. DesBrisay, Minister of Finance and Industry Mr. F. R. Drummie, Economic Advisor to the Government of New Brunswick
Prince Edward Island	Honourable Leo Rossiter, Minister of Industry and Natural Resources, and of Fisheries
Newfoundland	Honourable J. R. Smallwood, Premier and Minister of Economic Development Mr. Ian McAllister, Provincial Economist, Department of Economic Development.

Provincial Sub-Committees of the Board

At the Board Meeting held in Halifax on December 2, 1963, it was agreed that the Board Members from each province, plus the Chairman, form regional committees for that particular province, and that the committees work with the Staff on matters relating to that province.

Accounting

In the interests of efficiency and economy, accounting and cheque issue services are provided to the Board by the Comptroller of the Treasury.

Relation With Other Federal Departments

In carrying out studies and projects, the Board's Staff works closely with officials of other Departments. In some instances, Ad-hoc Committees have been formed to deal with particular problems.

When projects are approved, it has been the policy of the Board to request the appropriate Department or Agency to supervise the work and arrange administrative details on the Board's behalf.

Board Meetings

Board meetings have been held as follows:

<i>Date</i>	<i>Place</i>
February 2, 1963	Halifax, Nova Scotia
March 28, 1963	Ottawa, Ontario
August 6, 1963	Halifax, Nova Scotia
September 25 and 26, 1963	Fredericton, New Brunswick
October 29 and 30, 1963 ..	Charlottetown, Prince Edward Island
November 18 and 19, 1963	St. John's, Newfoundland
December 2 and 3, 1963 ..	Halifax, Nova Scotia
January 27 and 28, 1964 ..	Ottawa, Ontario.

Staff Visits

The Board's work has required frequent visits by Members of Senior Staff to the Provinces for discussions with Provincial Government officials and with representatives from Industry, Boards of Trade, Municipalities and other organizations.

Activities of the Board

The Board's activities fall into two main fields—those involving the use of the Fund, and those not requiring monies from the Fund. These latter activities include studies or surveys financed from the Board's annual appropriation. In addition, the Board has been playing an increasing role as a co-ordinating agency on matters relating to the development of the Atlantic region.

In its general approach regarding the recommendations concerning the use of the Fund, the Board considered that priority should be given to projects intended to achieve long-term improvement in the basic facilities, or infrastructure of the Atlantic region. However, the Board is fully aware that the provision of adequate basic facilities is only one of the essential conditions for regional economic expansion. It also recognizes that there are wide differences in the quality of the infrastructure of the four Atlantic Provinces. It concludes, however, that power and transportation facilities are generally inadequate and call for particular attention.

The Board has divided the problems of the economic development of the Atlantic region under five broad categories—

- I. Power
- II. Transportation
- III. Primary industries, including processing
- IV. Secondary manufacturing industries
- V. Economic Planning; and
- VI. Miscellaneous, including applied research and tourism.

I. POWER

In its initial consideration to the problems of the Atlantic region, the Board gave high priority to the development of adequate and cheaper supply of electric power because:

- (a) it is particularly important in developing the mineral and forest resources of the Atlantic region; and
- (b) the provinces had already carried out extensive studies.

(1) CAPITAL ASSISTANCE FROM THE FUND

(a) *Mactaquac*—At the Board meeting of November 19, 1963, held at St. John's, Newfoundland, it was recommended that financial assistance be made available to the New Brunswick Electric Power Commission, an agency of the Provincial Government, for the development of a hydro electric power project at Mactaquac on the Saint John River. On the basis of this recommendation, the Cabinet approved a contribution of \$20 million from the Atlantic Development Fund on January 10, 1964. The Mactaquac development will have the effect of doubling present power generated in the Province of New Brunswick. It should contribute greatly to the promotion of industrial development in New Brunswick, particularly that which is based on natural resources.

(b) *Bay D'Espoir*—At the Board meeting of November 19th, 1963, held in St. John's it was also recommended that financial assistance be made available to the Newfoundland Power Commission, an agency of the Provincial Government, for the development of a hydro electric power project at Bay D'Espoir on the south coast of Newfoundland. On the basis of this recommendation the Cabinet approved a contribution of \$20 million from the Atlantic Development Fund on March 5th, 1964.

The Atlantic Development Board's contribution will enable the project to go ahead immediately, and the increased availability of power will also clear the way for expansion in the forest and mineral industries, as well as in the economy in general.

(2) STUDIES

(a) *Engineering and Economic Studies of the Feasibility of a Submarine Power Cable Linking Prince Edward Island with the Mainland*—At the Board meeting of August 6th, 1963, held at Halifax, N.S. it was recommended that consultants be engaged to carry out these studies. On September 19th, 1963, approval was received from Governor in Council to engage the services of consultants at a cost of \$10,000.

A preliminary report has been received and is being discussed with the consultants, National Energy Board, and the appropriate provincial agencies involved.

(b) *An Engineering Study of Foundation Conditions at Shepody Bay and Cumberland Basin at the Upper End of the Bay of Fundy*—At the

Board meeting of September 26th, 1963, held at Fredericton, N.B. it was recommended that consultants be engaged to carry out this study. On November 28th, 1963, approval was received from Governor in Council to engage the services of engineering consultants for this purpose. This is the first phase of an investigation into the feasibility of harnessing tidal power at the upper end of the Bay of Fundy. The study which was begun in December, was delayed by weather conditions, but will be continued in April, and a final report is expected before the end of May.

The Department of Public Works assisted the Board in the selection of consultants and are carrying out the administrative duties on behalf of the Board.

II. TRANSPORTATION

From its inception, the Board has recognized the important role that a well co-ordinated transportation system can play in the economic development of the Atlantic region. The Board is aware that there are many disadvantages imposed by present conditions, not only within the region, but between the region and the rest of Canada and abroad. The main problems are associated both with physical facilities and with the costs of moving goods.

The Board has received a large number of requests for assistance varying greatly in scope and magnitude, all of which nevertheless indicate the need for careful assessment and co-ordination before a satisfactory solution can be proposed. However, during the year, the Board has found it possible to deal with a number of matters relating to transportation which, while not directly involving the use of the Atlantic Development Fund, have contributed to a better understanding of the many aspects of the problem.

Two major studies for which consultants were engaged are noted below.

(a) *Winter Navigation on the Lower St. Lawrence River and in the Gulf*—In February 1963, the Minister responsible for the Atlantic Development Board requested that the Board, as one of its first assignments, carry out a broad survey of winter navigation and its effects on ports in the Atlantic Provinces.

This item was brought before the Board by the Hon. Hugh-John Flemming in February, 1963. The Board reviewed this request at its meeting of March 28th, 1963, and recommended that consultants be engaged to carry out these studies. On August 14th, 1963, approval was received from Governor in Council to engage the services of an engineering consulting firm to carry out a preliminary study of the engineering, technical and scientific aspects of the problem. On the same date approval was received to engage the services of an economic consulting firm to carry out a preliminary study of the economic aspects of the effects on Atlantic ports of winter navigation in the St. Lawrence and Gulf.

These studies are being implemented by an analysis of ice-breaking costs, which is being undertaken by the staff of the Board in collaboration with the Marine Services of the Department of Transport.

(b) *Belledune Harbour in Northern New Brunswick*—The decision of private interests to construct a large lead-zinc smelter and chemical complex at Belledune Point, west of Bathurst, involves the construction of a protected year-round deep water harbour. This harbour is expected to handle up to a million tons of traffic annually when the project is completed. As the problems of design and construction are complicated, detailed engineering and model studies are necessary. The Province of New Brunswick therefore requested the co-operation of the Board in getting these studies under way with as little delay as possible.

As a result of discussions between the Board and the Department of Public Works it was agreed that these two agencies would seek approval from the government for authority to engage the services of consultants to carry out the studies with the estimated cost to be shared equally between them. This approval was received on January 23, 1964.

The Department of Public Works is supervising the studies and attending to the administrative details.

(c) *Ports of Halifax and Saint John*—On March 21, 1964, the Minister requested the Board to undertake, in collaboration with other federal agencies, an examination of the prospects of these two ports to ascertain what measures might be taken to assure their economic future.

(d) *General*—In reviewing the transportation sector of the Atlantic economy during the year, the Board has become aware that many aspects of the transportation problems of the region should be carefully examined. These include—the role of air cargo; adequacy of existing airstrips; steamship services; ferries; the road system; rail rates, and others. The Board, in co-operation with other government agencies, is giving careful consideration to these aspects of transportation.

III. PRIMARY INDUSTRIES, INCLUDING PROCESSING

The Board is assisting the primary industries by financing basic facilities such as power lines, water lines and sewage disposal units for processing plants. During the year, the Board recommended assistance to two food processing complexes—one at Georgetown, Prince Edward Island, and the other at Canso, Nova Scotia.

(1) CAPITAL ASSISTANCE

(a) *Georgetown*—At its meeting on October 29, 1963, the Board recommended that financial assistance be given for the provision of basic facilities in connection with a major food processing complex.

On March 5, 1964, the Government approved a contribution not exceeding \$700,000 from the Atlantic Development Fund to provide basic

facilities associated with the Georgetown fish and farm products processing development.

(b) *Canso*—At the meeting held in Ottawa on January 28, 1964, the Board recommended assistance be provided from the Atlantic Development Fund for the provision of water and sewage facilities associated with the proposed large fish processing plant at Canso.

On March 5, 1964, the Government approved a contribution from the Atlantic Development Fund to provide these basic facilities, at an approximate cost of \$400,000.

The Department of Public Works has agreed to supervise the construction of these facilities and carry out the administrative details for both Georgetown and Canso, on behalf of the Board.

IV. SECONDARY MANUFACTURING INDUSTRIES

The Board recognizes that the provision of basic service facilities such as power and transportation, may not be sufficient to encourage the location of secondary manufacturing industries in the Atlantic region. It is also recognized that in certain parts of the region, secondary industry must play an increasingly important role in the local economy. This principle has already been recognized by the Government in the provision of incentives to industries locating in designated areas.

The Board is convinced that if the Atlantic region is to develop at a satisfactory rate, additional incentives must be available to encourage the location of secondary manufacturing industries in the region. In this connection, the Board had discussions with Provincial Governments at various times on what specific measures and procedures might be appropriate to bring about the desired results.

V. ECONOMIC PLANNING

Section 9 (i) (a) of the Atlantic Development Board Act, as amended, states that the Board may—"in furtherance of its objects, prepare in consultation with the Economic Council of Canada, an overall co-ordinated plan for the promotion of economic growth of the Atlantic region".

The Chairman of the Atlantic Development Board is also a member of the Economic Council of Canada, thus ensuring close liaison at the Board level.

In the preparation of an overall plan for the Atlantic region, the Board staff has met with the Chairman and senior officials of the Council. As a first step, the staff will work out in collaboration with the provincial authorities, a preliminary outline of a regional plan for further discussion with the Council.

As an initial step in the preparation of an economic plan for the Atlantic region, the Board proposed to engage the services of economic consultants to prepare a study of an inter-industry flow of commodities and

services. This study would be expected to be completed in April, 1965. As the study progresses, parts of it would be useful in drawing up a regional economic plan.

VI. MISCELLANEOUS

(1) *General*

In addition to the items mentioned under the five categories in the foregoing, the Board has also been concerned with many other problems and aspects affecting the regional economy. These include, for example:

- the problems facing the coal industry in Nova Scotia and New Brunswick
- the declining production and employment in the iron ore mine at Bell Island, Newfoundland
- the possibility of developing various industrial minerals in the region
- the need for strengthening research facilities and the training of graduate students in applied research to meet the changing requirements of the economy
- the desirability of an integrated approach to the development of the Saint John River in New Brunswick.

(2) *Liaison Function*

Quite apart from the work of the Board in connection with the projects involving the use of the Fund, or specific recommendations for action or expenditures by other federal agencies, the Board provides a focal point for Atlantic Provinces in dealing with various federal government departments. Consequently, liaison activities between the two levels of government is becoming an increasingly important function of the staff.

In all cases of problems or projects presented to the Board, the staff is careful to maintain close contact with other federal agencies that may have a primary interest in so far as it affects federal government policy.

Appendix I

To: ATLANTIC DEVELOPMENT BOARD
THE SECRETARY OF STATE OF CANADA

I have examined the financial transactions of the Atlantic Development Board for the period from the establishment of the Board on December 20, 1962 to March 31, 1963, in accordance with the requirement of section 18 of the Atlantic Development Board Act.

In my opinion the accompanying Statement of Expense presents a true and fair summary of the financial transactions of the Board for the period from the establishment of the Board on December 20, 1962 to March 31, 1963.

A. M. HENDERSON
Auditor General of Canada

June 27, 1963.

ATLANTIC DEVELOPMENT BOARD (Established by the Atlantic Development Board Act)

Statement of Expense for the period from the establishment of the Board on December 20, 1962 to March 31, 1963

Administrative Expense:

Salaries	\$ 1,856
Office equipment and supplies	2,210
Travel	957
Other	9

Provided by parliamentary appropriation	5,032
	=====

Approved:

E. P. WEEKS
for MICHAEL WARDELL, *Chairman*

I have examined the above Statement of Expense and have reported thereon under date of June 27, 1963 to the Atlantic Development Board and the Secretary of State of Canada.

A. M. HENDERSON
Auditor General of Canada

Appendix II

To: ATLANTIC DEVELOPMENT BOARD

THE MINISTER OF TRANSPORT

I have examined the financial transactions of the Atlantic Development Board for the year ended March 31, 1964, in accordance with the requirement of section 18 of the Atlantic Development Board Act.

In my opinion the accompanying Statement of Expense presents a true and fair summary of the financial transactions of the Board for the year ended March 31, 1964.

A. M. HENDERSON
Auditor General of Canada

June 10, 1964.

ATLANTIC DEVELOPMENT BOARD (Established by the Atlantic Development Board Act)

Statement of Expense for the year ended March 31, 1964

Technical and economic surveys and studies	\$ 104,647
Administration	
Salaries	\$ 65,480
Employee benefits	4,277
Travel (including \$7,514 incurred by Members of the Board)	14,197
Office equipment and supplies	3,735
Other	3,995

	91,684
Provided by parliamentary appropriation	<u>196,331</u>

Approved:

IAN M. MACKEIGAN, Q.C.
Chairman

I have examined the above Statement of Expense and have reported thereon under date of June 10, 1964 to the Atlantic Development Board and the Minister of Transport.

A. M. HENDERSON
Auditor General of Canada.

11 ELIZABETH II.

CHAP. 10

An Act to provide for the establishment of an
Atlantic Development Board.

[Assented to 20th December, 1962.]

HER Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:

SHORT TITLE.

1. This Act may be cited as the *Atlantic Development Board Act*. Short title.

INTERPRETATION.

2. In this Act,

- (a) “Atlantic region” means the region comprising the Provinces of New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland; Definitions
“Atlantic region.”
- (b) “Board” means the Atlantic Development Board established by section 3; and “Board.”
- (c) “Minister” means such member of the Queen’s Privy Council for Canada as may from time to time be designated by the Governor in Council to act as the Minister for the purposes of this Act. “Minister.”

ATLANTIC DEVELOPMENT BOARD.

3. A corporation is hereby established to be known as the Atlantic Development Board, consisting of five members to be appointed by the Governor in Council as provided in section 4. Board established.

4. (1) Each of the members of the Board shall be appointed to hold office for a term of five years, except that Appointment of members.

of those first appointed one shall be appointed for a term of three years and two shall be appointed for a term of four years.

Chairman.

(2) One of the members of the Board shall be appointed to be the chairman thereof.

**Eligibility
for reappoint-
ment.**

(3) A retiring chairman or other member of the Board is eligible for reappointment to the Board in the same or another capacity.

**Travelling
and living
expenses.**

5. (1) The members of the Board shall serve without remuneration, but are entitled to be paid reasonable travelling and living expenses while absent from their ordinary place of residence in the course of their duties under this Act.

**Honorarium
to chairman.**

(2) Notwithstanding subsection (1), the chairman of the Board may be paid such amount per annum as an honorarium as may be approved by the Governor in Council.

Quorum.

6. Three members constitute a quorum of the Board.

Vacancy.

7. A vacancy in the membership of the Board does not impair the right of the remainder to act.

**Absence,
etc., of
chairman.**

8. The Board may designate one of its members to be vice-chairman of the Board, who shall, in the event of the absence or incapacity of the chairman or if the office of chairman is vacant, act as chairman.

OBJECTS AND POWERS.

**Objects and
powers.**

9. (1) The objects of the Board are to inquire into and report to the Minister upon measures and projects for fostering the economic growth and development of the Atlantic region of Canada, and, without limiting the generality of the foregoing, the Board may, in furtherance of its objects,

- (a) prepare on a systematic and comprehensive basis, and revise as required in the light of changing circumstances, an assessment of factors relevant to economic growth in the Atlantic region;
- (b) keep under constant review appropriate methods of furthering the sound economic development of the Atlantic region, whether such methods involve new measures and projects or the removal or mitigation of existing factors that may be considered to inhibit such development;

- (c) with respect to particular measures or projects that may be referred to it by the Minister, inquire into, assess and report to the Minister upon the feasibility of such measures or projects and the effect thereof in relation to the economy of the Atlantic region, and make recommendations to the Minister with respect to any such measures or projects that in the opinion of the Board would significantly contribute to the growth and development of the economy of the Atlantic region; and
- (d) consider and report to the Minister upon any other matters that in the opinion of the Board may usefully be considered by it having regard to the need for a continuing sound economic development of the Atlantic region.

(2) The Board shall, to the greatest possible extent consistent with the performance of its duties under this Act, co-operate with the National Economic Development Board, the National Productivity Council and all departments, branches and other agencies of the Government of Canada having duties related to, or having aims or objects related to those of the Board. Duty of co-operation.

ORGANIZATION.

10. The Board shall meet at such times and Meetings. places as it deems necessary but shall meet at least once a year in the City of Ottawa.

11. (1) The Governor in Council may appoint an Executive Director of the Board, who shall hold office during pleasure and shall be paid such salary and expenses as are fixed by the Governor in Council. Executive Director.

(2) The Executive Director is the chief executive officer of the Board and has supervision over and direction of the work and staff of the Board. Direction of work and staff.

12. (1) The Board may, subject to the approval of the Governor in Council, make by-laws for the regulation of its proceedings and generally for the conduct of its activities, including the establishment of advisory and other committees of the Board. By-laws.

(2) Any by-law made pursuant to subsection (1) establishing an advisory committee of the Board may provide for the membership thereon of persons other than members of the Board, in addition to members of the Board. Advisory committees.

Appointment
of staff.

13. (1) The Board may
 (a) appoint such officers and employees as are necessary for the proper conduct of the work of the Board; and
 (b) prescribe the duties of such officers and employees and, subject to the approval of the Treasury Board, prescribe the conditions of their employment.

Salaries and
expenses of
staff.

(2) The officers and employees of the Board appointed as provided in subsection (1) shall be paid such salaries and expenses as are fixed by the Board with the approval of the Treasury Board.

Technical
and special
advisors.

14. The Board may engage on a temporary basis or for any period of not more than two years the services of persons having technical or specialized knowledge of any matter relating to the work of the Board, to advise and assist the Board in the performance of its duties under this Act, and with the approval of the Treasury Board may fix and pay the remuneration of such persons.

Superannua-
tion.

15. (1) The Executive Director and the officers and employees of the Board appointed as provided in subsection (1) of section 13 shall be deemed to be employed in the Public Service for the purposes of the *Public Service Superannuation Act*, and the Board shall be deemed to be a Public Service corporation for the purposes of section 23 of that Act.

Application of
*Government
Employees
Compensation
Act.*

(2) The *Government Employees Compensation Act* applies to the Executive Director and the officers and employees of the Board appointed as provided in subsection (1) of section 13 and, for the purposes of that Act, such persons shall be deemed to be employees in the service of Her Majesty.

Not agent
of Her
Majesty.

16. The Board is not an agent of Her Majesty and, except as provided in section 15, the members, Executive Director and staff of the Board are not part of the public service.

FINANCIAL.

Appropria-
tions.

17. All amounts required for the payment of salaries and other expenses under this Act including expenses of administration shall be paid out of moneys appropriated by Parliament for the purpose.

Audit.

18. The accounts and financial transactions of the Board shall be audited annually by the Auditor General,

and a report of the audit shall be made to the Board and the Minister.

REPORT TO PARLIAMENT.

19. The chairman of the Board shall, within three months after the termination of each fiscal year, transmit to the Minister a statement relating to the activities of the Board for that fiscal year, including the financial statements of the Board and the Auditor General's report thereon, and the Minister shall cause such statement to be laid before Parliament within fifteen days after the receipt thereof or, if Parliament is not then sitting, on any of the first fifteen days next thereafter that Parliament is sitting. Annual report to be made.

12 ELIZABETH II.

CHAP. 5

An Act to amend the Atlantic Development Board Act.

[Assented to 31st July, 1963.]

1962-63, c. 10. **H**ER Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:

1. Section 2 of the *Atlantic Development Board Act* is amended by striking out the word "and" at the end of paragraph (b) thereof and by adding thereto, immediately after paragraph (b) thereof, the following paragraph:

"Fund" "(ba) "Fund" means the Atlantic Development Fund established by section 16; and"

2. (1) Sections 3 and 4 of the said Act are repealed and the following substituted therefor:

Board
established.

3. (1) A corporation is hereby established to be known as the Atlantic Development Board, consisting of eleven members to be appointed by the Governor in Council as provided in section 4.

Constitution
of member-
ship.

(2) The membership of the Board shall be constituted in such a manner as to reflect the economic structure of the Atlantic region.

Appointment
of members.

4. (1) Each of the members of the Board shall be appointed to hold office for a term of three years, except that of those first appointed four shall be appointed for a term of one year and four shall be appointed for a term of two years.

Chairman.

(2) The Governor in Council shall designate one of the members to serve as chairman of the Board during pleasure.

Eligibility
for re-
appointment.

(3) A person who has served two consecutive terms as a member of the Board is not, during the twelve month period following the completion of his second term, eligible for reappointment."

(2) A person who, at the coming into force of this Act, held office under the *Atlantic Development Board Act* as a member of the Atlantic Development Board shall be deemed to have been appointed as a member of the Board under this Act

- (a) in the case of the person who at the coming into force of this Act held the office of chairman of the Board, for a term of two years, and
- (b) in any other case, for a term of one year.

(3) The term of each of the persons first appointed to the Atlantic Development Board after the coming into force of this Act and the term of each of the persons referred to in subsection (2) shall be calculated as if such term had commenced on the 24th day of January, 1963.

3. Section 6 of the said Act is repealed and the following substituted therefor:

“**6.** A majority of the members constitutes a quorum.

quorum of the Board.”

4. The said Act is further amended by adding thereto, immediately after section 8 thereof, the following section:

“**8A.** (1) The Board is, for all purposes of this Act, an agent of Her Majesty, and its powers under this Act may be exercised only as an agent of Her Majesty.

Board agent
of Her
Majesty.

(2) Subject to the approval of the Governor in Council, the Board may, on behalf of Her Majesty, enter into contracts in the name of Her Majesty or in the name of the Board.

Contracts.

(3) Property acquired by the Board is the property of Her Majesty and title thereto may be vested in the name of Her Majesty or in the name of the Board.

Property.

(4) Actions, suits or other legal proceedings in respect of any right or obligation acquired or incurred by the Board on behalf of Her Majesty, whether in its name or in the name of Her Majesty, may be brought or taken by or against the Board in the name of the Board in any court that would have jurisdiction if the Board were not an agent of Her Majesty.”

Proceedings.

5. Section 9 of the said Act is repealed and the following substituted therefor:

Objects and powers.

"9. (1) The objects of the Board are to inquire into and report to the Minister upon programs and projects for fostering the economic growth and development of the Atlantic region of Canada, and to consider, report and make recommendations to the Minister concerning programs and projects not involving the use of the Fund and programs and projects involving the use of the Fund; and without limiting the generality of the foregoing, the Board may, in furtherance of its objects,

- (a) prepare, in consultation with the Economic Council of Canada, an overall co-ordinated plan for the promotion of the economic growth of the Atlantic region;
- (b) keep under constant review appropriate methods of furthering the sound economic development of the Atlantic region, whether such methods involve new programs and projects or the removal or mitigation of existing factors that may be considered to inhibit such development;
- (c) with respect to particular programs or projects that may be referred to it by the Minister or that the Board may on its own initiative investigate, inquire into, assess and report to the Minister upon the feasibility of such programs or projects and the effect thereof in relation to the economy of the Atlantic region, and make recommendations to the Minister with respect to any such programs or projects that, in the opinion of the Board, will contribute to the growth and development of the economy of the Atlantic region; and
- (d) with the approval of the Governor in Council, enter into agreements with
 - (i) the government of any province comprised in the Atlantic region or the appropriate agency thereof, or
 - (ii) any other person,
 respecting the use of the Fund in financing or assisting in financing the undertaking and the carrying out of particular programs or projects described in subsection (1) of section 16.

(2) The Board shall, to the greatest possible extent consistent with the performance of its duties under this Act, consult and co-operate with the Economic Council of Canada and all departments, branches

Duty of co-operation.

and other agencies of the Government of Canada having duties related to, or having aims or objects related to those of the Board."

6. Section 16 of the said Act is repealed and the following heading and section substituted therefor:

"ATLANTIC DEVELOPMENT FUND.

16. (1) Subject to subsection 4, the Minister of Finance may, on the recommendation of the Minister, pay to the Board out of the Consolidated Revenue Fund such amounts as are from time to time required by the Board for the purpose of financing or assisting in financing the undertaking and the carrying out of programs and projects that, in the opinion of the Board, will contribute to the growth and development of the economy of the Atlantic region and for which satisfactory financing arrangements are not otherwise available.

Payments out of Consolidated Revenue Fund.

(2) There shall be a special account in the Consolidated Revenue Fund to be known as the Atlantic Development Fund, to which shall be credited all amounts paid by the Minister of Finance to the Board under subsection (1) and to which shall be charged all payments in respect of programs or projects described in that subsection.

Atlantic Development Fund established.

(3) No payments may be made by the Minister of Finance to the Board under subsection (1) except in respect of a program or project described in that subsection that has been approved by the Governor in Council.

Approval of programs or projects.

(4) The total of all amounts that may be paid by the Minister of Finance to the Board under subsection (1) and credited to the Atlantic Development Fund is one hundred million dollars."

Total of amounts that may be paid.

7. Section 17 of the said Act is repealed and the following substituted therefor:

"**17.** All expenditures under this Act including amounts required for the payment of salaries, technical and economic surveys and studies and other expenses including expenses of administration, except any amounts described in subsection (1) of section 16, shall be paid out of moneys appropriated by Parliament therefor."

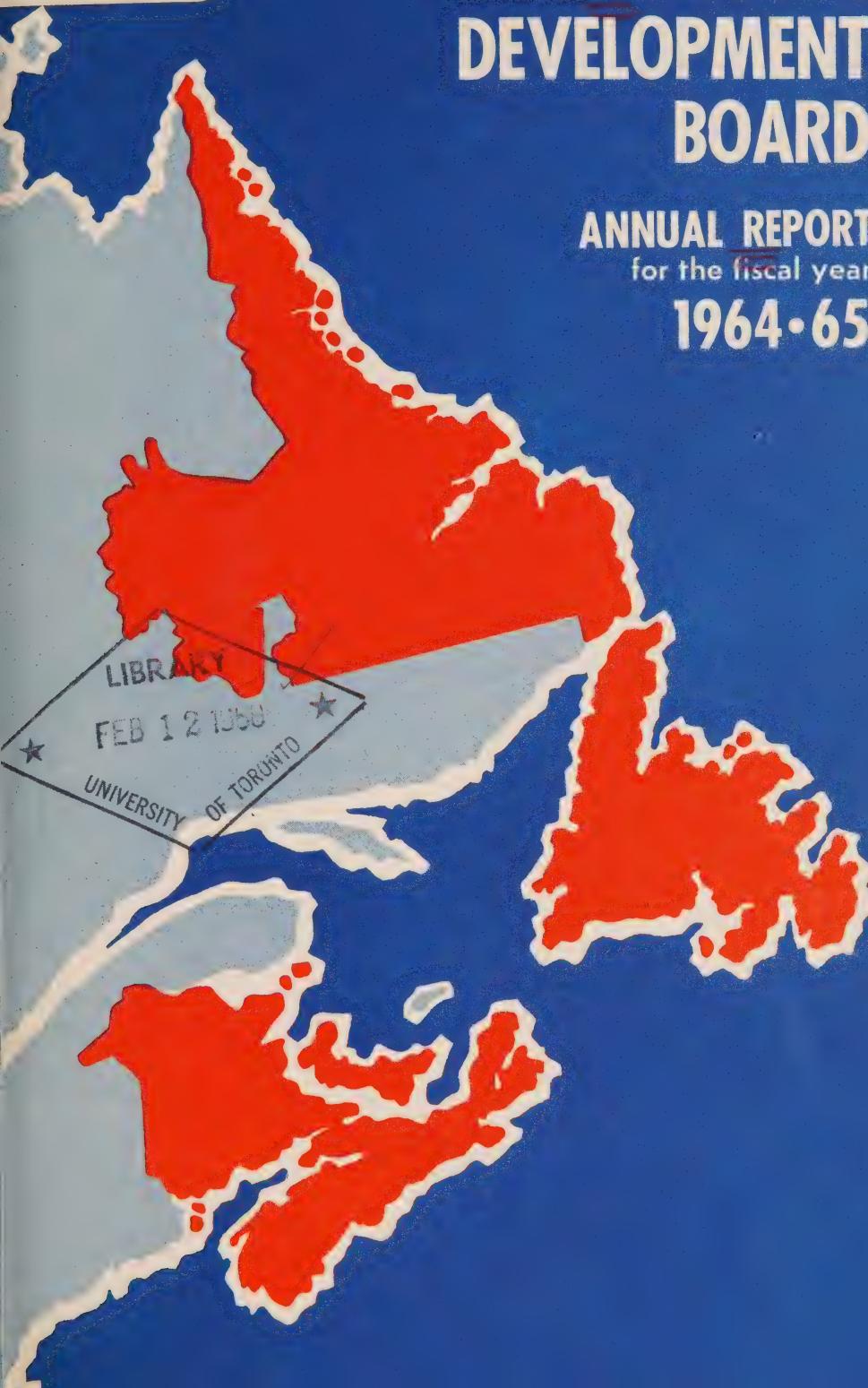
Appropriations.

8. This Act shall come into force on a day to be fixed by proclamation of the Governor in Council.

Coming into force.

ATLANTIC DEVELOPMENT BOARD

ANNUAL REPORT
for the fiscal year
1964-65



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ATLANTIC DEVELOPMENT BOARD

*Annual Report for the fiscal year
1964-65*

Published by authority of
THE MINISTER OF TRANSPORT,
OTTAWA

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CANADA

MINISTER OF TRANSPORT

TO HIS EXCELLENCE GENERAL GEORGES P. VANIER, D.S.O., M.C., C.D.
Governor General and Commander-in-Chief of Canada.

MAY IT PLEASE YOUR EXCELLENCY:

I have the honour herewith, for the information of Your Excellency and the Parliament of Canada, to present the Annual Report of the Atlantic Development Board and the financial statements of the Board for the fiscal year 1964-1965.

Respectfully submitted,

Minister of Transport

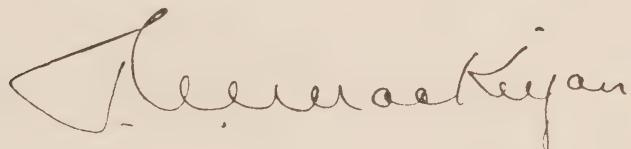
THE HONOURABLE J. W. PICKERSGILL, M.P.,
Minister of Transport,
Ottawa, Ont.

SIR:

I submit herewith the Annual Report of the Atlantic Development Board and the financial statements of the Board for the fiscal year 1964-1965.

I have the honour to be, Sir,

Your obedient servant,

A handwritten signature in cursive ink, appearing to read "J. Lees Mackay".

Chairman

TABLE OF CONTENTS

	PAGE
Purposes of the Board	11
Organization	13
Membership of the Board	13
Staff	13
Working Relationship	13
Board Meetings	14
Activities of the Board	15
I. Planning	15
Economic Studies related to Planning	15
Input-Output	15
Government Expenditures in Atlantic Region	16
Economic Conditions in Newfoundland	16
II. Development Projects	16
Power	16
Mactaquac and Bay d'Espoir	16
Frequency Conversion in Newfoundland	17
Feasibility of a Submarine Power Cable linking Prince Edward Island with the Mainland	17
Foundation Conditions at Shepody Bay and Cumberland Basin	17
Transportation	18
Roads	18
Winter Navigation Study in the St. Lawrence River and Gulf	18
Saint John Harbour Bridge	19
Container Shipping Study	19
Grain Movement Study	19
Belledune Harbour	19
Other Basic Services to Industry	20
Water Supply and Pollution	20
Georgetown, Prince Edward Island	21
Canso, Nova Scotia	21
Cheticamp and Grand Etang, Nova Scotia	22

	PAGE
Lower East Pubnico, Nova Scotia	22
Shippegan, New Brunswick	22
Bonavista, Newfoundland	22
Montague, Prince Edward Island	23
Food Waste Utilization Study	23
Industrial Parks	23
Industrial Park, Summerside, Prince Edward Island	23
Industrial Park Needs of the Halifax-Dartmouth area	24
Assistance to Industrial Research	24
Provincial Research Agencies	24
Resource Development	24
Silica Sand	24
Beneficiation of Wabana Iron Ore	25
Supply and Demand of Hardwood	25
Coal	25

Appendices

I.	Auditor General's Report and Financial Statements, 1964-1965	26
II.	Details of Trunk Highway Program approved under the Atlantic Development Fund	31
III.	11. Elizabeth II, Chap 10, 1962-63 (An Act to provide for the establishment of an Atlantic Development Board)	33
IV.	12. Elizabeth II. Chap 5, 1963 (An Act to amend the Atlantic Development Board Act)	38

ANNUAL REPORT OF THE ATLANTIC DEVELOPMENT BOARD — 1964-65

Purposes of the Board

The persistence of the problems of slow growth and low income in the Atlantic Region compared to the rest of Canada has been of great concern to the federal government as well as to the governments of the Atlantic provinces. Over the years, various policies and programs have been introduced in an effort to better economic conditions. Although these programs have done much to assist the Atlantic economy and to improve levels of income and services, they have not, so far, been entirely successful in promoting the levels of growth that appear to be necessary. There are a number of reasons for this, including problems relating to resources and markets; inherent difficulties of adjusting social institutions and habits to changing conditions; an inadequate knowledge of the economic forces at work and how to influence them. In addition, the programs have often tended to be unco-ordinated and to be focused on short-run considerations rather than being assessed within the broader framework.

The experience of recent years has led to recognition that new approaches are necessary and that the traditional patterns of economic activity need to be modified. A number of new approaches are being tried. One of these is represented by the Atlantic Development Board.

The Board incorporates three essential principles in regional economic development: joint and closely co-ordinated development of programs with the governments of the Atlantic provinces; a concern with the overall basic structure of the regional economy and with the causes of the current problems rather than their symptoms; and federal financial assistance for essential development projects for which satisfactory financial arrangements are not otherwise available. These principles are reflected in both the structure and terms of reference of the Board.

The Board was created as a special agency, distinct from the regular machinery of government, to concern itself exclusively with the economy of the Atlantic Region. Its members are appointed for fixed periods from all the Atlantic provinces, and from diverse fields of activity. It thus has the knowledge, the interest and the freedom to pioneer regional development policy. The Board has been provided with a permanent staff to supply it with the technical and administrative services it needs. During the two

years it has been in existence, close working relationships have been established with provincial governments and the private sector in working out economic programs.

The Board's terms of reference define its functions very broadly. However, specific reference is made to the preparation of "an overall-co-ordinated plan for the promotion of the economic growth of the Atlantic Region". In addition, the Board is expected to recommend programs and projects to cope with or mitigate current problems that need immediate attention. In carrying out its functions, the Board is acutely conscious of the inter-dependence between short-run and long-run policies and the need for consistency between them.

Economic growth and development, particularly when based on increased industrial activity, require substantial investment in capital facilities of various kinds for electric power, transportation; pure water for industrial purposes; and other services. These facilities, which are commonly referred to as "infrastructure", are of basic importance for regional economic growth. For this reason, the Board has been placing major emphasis on this type of investment from the outset. It is recognized that such facilities could not be financed by the Atlantic provinces themselves at this time and on the necessary scale. To help the provinces improve their basic infrastructure, and to undertake other development projects, the federal government established a \$100 million Atlantic Development Fund. This Fund, along with the annual appropriations, is intended to enable the Board to carry out its functions.

ORGANIZATION

Membership

The membership of the Board as at March 31, 1965, was as follows:

	<i>Date</i>	<i>of Appointment</i>	<i>Expiration Date</i>
Ian M. MacKeigan, Q.C., Chairman	August 2, 1963	January 24, 1966	
Robert Cheyne Eddy	August 2, 1963	January 24, 1966	
Albert Martin	August 2, 1963	January 24, 1966	
Captain Maxwell Burry	January 24, 1965	January 24, 1968	
Carl Frederick Burke	January 24, 1965	January 24, 1968	
Stephen Dolhanty	January 24, 1965	January 24, 1968	
Dr. Stephen Weyman	January 24, 1965	January 24, 1968	
Frank H. Sobey	January 24, 1964	January 24, 1967	
Melvin J. McQuaid, Q.C.	January 24, 1964	January 24, 1967	
Fred W. Ayre	January 24, 1964	January 24, 1967	
Armand H. Cormier	January 24, 1964	January 24, 1967	

Brigadier J. Michael Wardell retired from the Board at the end of his two year term. He was replaced by Dr. Stephen Weyman of Saint John, New Brunswick. Messrs. Burke, Dolhanty and Captain Burry were re-appointed.

Staff

The staff of the Board consists of the Executive Director, a Secretary to the Board, four Economists, and eight supporting staff. In addition, Dr. G. C. Monture, O.B.E., acted as Special Consultant to the Board.

Working Relationships

With Federal Government Agencies

In carrying out studies and projects, the Board Staff works closely with officials of other Departments. In some instances, Ad-hoc Committees have been set up with membership from various agencies to deal with particular problems.

When projects are approved, it has been the policy of the Board to request the appropriate Department or Agency to supervise the work and arrange administrative details on the Board's behalf.

Liaison Officers

On the suggestion of the Minister, the Honourable J. W. Pickersgill, to the four Atlantic Provinces, Ministers or officials were designated to act as Liaison Officers with the Board. The Premiers named the following:

Nova Scotia	Honourable W.S.K. Jones Minister of Trade and Industry
New Brunswick	Honourable L. G. Des Brisay Minister of Finance and Industry Mr. F. R. Drummie, Economic Advisor to the Government of New Brunswick
Prince Edward Island	Honourable Leo Rossiter, Minister of Industry and Natural Resources and of Fisheries
Newfoundland	Honourable J. R. Smallwood, Premier and Minister of Economic Development Mr. Ian McAllister, Provincial Econo- mist Department of Economic Develop- ment.

Provincial Sub-committees of the Board

At the Board meeting held in Halifax on December 2, 1963, it was agreed that the Board Members from each province, plus the Chairman, form regional committees for that particular province, and that the committees work with the Staff on matters relating to that province.

Board Meetings

The following meetings of the Board were held during the year:

April 20th and 21st, 1964	Saint John, New Brunswick
July 6th, 7th and 8th, 1964	Sydney and Ingonish, Nova Scotia
November 16th and 17th, 1964	Ottawa, Ontario
January 18th, 1965	Moncton, New Brunswick

ACTIVITIES OF THE BOARD

The activities of the Board during the year under review reflect its fundamental purposes.

I. Planning

During the year, the Board gave special emphasis establishing the organization necessary to carry out its economic planning function. The Board set up a committee on planning consisting of the Chairman, Messrs. Fred Ayre, Melvin J. McQuaid, Q.C., and Robert C. Eddy. A number of discussions were held by the Chairman and staff with the Economic Council of Canada. Members of the staff also had preliminary discussions with Provincial officials specifically concerned with economic development programs in their Provinces.

By the end of the fiscal year, the Board had completed a proposal for submission to the Government seeking approval for the establishment of a Planning Division within the staff of the Board. Although this will mark the beginning of the Board's intensive work in planning, several studies had previously been undertaken which should facilitate the major planning task. Details of these studies are given below.

ECONOMIC STUDIES RELATED TO PLANNING

a) Input-Output

During the year, the Board retained consultants to continue work on an input-output study of the Atlantic Provinces which had been initiated by Professor Kari Levitt of McGill University, with a grant from the Social Science Research Council. Additional financial assistance for this project was later provided by the Atlantic Provinces Research Board. At the request of the Atlantic Development Board, the Atlantic Provinces Economic Council agreed to supervise the study on behalf of the Board with Professor Levitt continuing as Director of the project.

The purpose of this study is to provide information on the inter-industry flow of goods and services which is necessary to understand more fully the structure of the Atlantic economy and its potential for growth. It had been hoped to complete the study during the year, but this was not possible. Additional staff have been recruited for the project and it should be com-

pleted within a few months. Several working papers which form part of the study have already been made available to the Board.

b) Government Expenditures in the Atlantic Region

One of the studies which forms part of the input-output study, is a detailed analysis of Federal, Provincial, and Municipal Government expenditures for the year 1960-1961, which is the base year for the input-output study. The results of this exercise were sufficiently interesting for the Board to retain a consultant to bring this report up-to-date and to make some revisions in the methods of arriving at the breakdown of expenditures. It is expected that the report will be finished in the latter part of 1965.

c) Economic Conditions in Newfoundland

The Board is financing a part of a research project being undertaken at the Institute of Social Studies at Memorial University in St. John's. The study will deal with economic developments that have taken place in Newfoundland since it became a Province of Canada in 1949. The background information and analysis which this study will provide will be useful in the preparation of the plan of the promotion of the growth of the Atlantic region.

II. Development Projects

In its general approach regarding the recommendations for the use of the Fund, the Board considered that priority should be given to projects intended to achieve long-term improvement in the basic facilities or infrastructure of the Atlantic region. The Board, however, is fully aware that this is only one of the essential conditions for the economic development of the region. Furthermore, it recognizes that there are wide differences in the adequacy of these basic facilities among the four Atlantic Provinces.

POWER

A review of the growth of the demand for power in the Atlantic Provinces underlines the soundness of the Board's decision to give particular attention to increasing the generating capacity of the region. Both the short-term and long-term needs of the region for power are kept under review in consultation with the Provinces.

a) Mactaquac and Bay d'Espoir

During the previous fiscal year, the Board recommended and the Government approved assistance of \$20 million for the development of hydro-electric power at Mactaquac in New Brunswick, and \$20 million at Bay

d'Espoir in Newfoundland. During the 1964-65 fiscal year, agreements covering the terms and conditions of these grants were signed by the Board and the Power Commission of the two Provinces.

By the end of the fiscal year, construction was well underway on the Mactaquac project with a construction labour force of almost 900 men. Because of the anticipated increased demands for power in New Brunswick, the construction schedule of the project has been advanced so that power will be on the line in late 1967, rather than in the spring of 1968, as originally scheduled.

At Bay d'Espoir, site preparation was underway, including the construction of an airstrip to facilitate transport of supplies and labour force.

b) Frequency Conversion in Newfoundland

Power in Newfoundland has in the past been developed at 50 and 60 cycle frequency. As a result, central and western Newfoundland are on 50 cycle frequency, whereas the Avalon and eastern Newfoundland was served by 60 cycle frequency. In the interest of economy and efficiency, the Newfoundland and Labrador Power Commission decided to generate power at 60 cycles and to undertake a program of converting the existing 50 cycle distribution system to 60 cycles.

The Board recommended and the Government approved assistance of up to \$4 million towards the cost of frequency conversion. The grant will be used mainly for the purchase of mobile convertors to enable the gradual conversion of the whole island to 60 cycles.

*c) Engineering and Economic investigations of the Feasibility
of a Submarine Power Cable Connection linking Prince Edward
Island with the Mainland*

At the beginning of the fiscal year, the Board received the final report from the consultants on the engineering and economic feasibility of linking Prince Edward Island with the Nova Scotia-New Brunswick power grid. The report was generally favourable, and a series of discussions were held, with all the interested parties. However, no definite decision to construct the cable connection had been reached by the end of the year.

*d) An Engineering Investigation of Foundation Conditions
at Shepody Bay and Cumberland Basin*

The report of the consultants on the foundation conditions at Shepody Bay and Cumberland Basin was received at the beginning of the fiscal year. The report indicated that so far as foundation conditions are concerned,

major tidal power installations at these sites are technically feasible. However, further studies will be required before details of design and estimates of costs can be determined.

TRANSPORTATION

The Board's continuing review of the transportation requirements in the Atlantic Region has emphasized the need for strengthening all phases of the region's transportation system, if industrial development is to be soundly based. Of particular importance to the economy is the need to eliminate the long delays forced on truckers at certain seasons of the year, due to the lack of all-weather highways. During the year, the Board continued its examinations of the transportation problems in the region in preparation for an overall study.

a) Roads

The Board, recognizing the need to assist the Provinces to upgrade existing trunk highways, recommended, and the Government approved the use of \$10 million from the Atlantic Development Fund on a shared basis for the upgrading of certain sections of road in the four Provinces. The \$10 million was divided on the basis of the 3-3-3-1 ratio, i.e. \$1 million for Prince Edward Island and \$3 million for each of the other three Atlantic Provinces. Construction was being carried out by the Provinces. Details of the agreed and sharing program arrangements are shown in Appendix II.

In February, 1965, the Prime Minister announced a \$30 million program of assistance for the construction and improvement of trunk highways in the Atlantic Provinces, over a three-year period. This program may be considered as an extension of the first program. The new program, however, was to be financed from a special vote to be administered by the Atlantic Development Board and not from the Atlantic Development Fund. By the end of the fiscal year, the Board staff had had discussions with the Government of the four Provinces regarding the sections of the trunk highways which were to be included in the shared-cost program. The \$30 million will be divided on the same basis as the Board's previous program on a 3-3-3-1 basis, i.e. \$3 million to Prince Edward Island and \$9 million to each of the other provinces.

b) Winter Navigation in the St. Lawrence River and Gulf

At the beginning of the fiscal year, the Board received a report of consultants who had been retained to study the impact of winter navigation on Atlantic ports. The general conclusion of the consultants was that while

certain ports of the Atlantic region, including Dalhousie, New Brunswick; Sydney, Nova Scotia; Corner Brook and Botwood in Newfoundland benefited to some extent from the icebreaking services being provided in the Gulf of St. Lawrence, the ports of Saint John and Halifax together experienced during the period under review a significant loss in their annual general cargo transhipment traffic. This was due partly to the direct and indirect effects of winter navigation in the St. Lawrence River and in the Gulf, and partly it reflects the existence of other problems. It was concluded that constructive measures are required to improve the year-round viability of the ports.

c) Saint John Harbour Bridge

The Board was requested to assist in the building of a bridge over the harbour, and the Board recommended that the Federal Government provide assistance to enable the project to go forward with the least possible delay. In February, 1965, the Prime Minister announced that the Federal Government would assist the project by covering the difference between agreed annual expenditures and toll revenues. The Federal Government's contribution will be repaid by the Saint John Harbour Bridge Authority when toll revenues permit.

The Executive Director acted as Chairman of an Interdepartmental group both in Ottawa during the preliminary discussions, and in New Brunswick during the negotiations with the Province and the local authorities.

d) Container Shipping Study

The Board retained consultants to investigate the feasibility of a year-round container shipping operation from Europe to Central Canada and the U.S.A. via the ports of Halifax and Saint John. The report is expected during the coming summer.

e) Grain Movement Study

Consultants were retained to examine the feasibility and means for increasing the amount of grain traffic passing through the ports of Halifax and Saint John, and the feasibility of grain shipping through other relevant ports in the Atlantic region. The report is to be submitted during the early summer of 1965.

f) Belledune Harbour

During the previous year, the Board and the Department of Public Works had shared the cost of a study of the economic and technical feasibility of developing a deep water, year-round harbour at Belledune in northern New Brunswick. The report of the consultants was received during the

year and showed that a harbour could be developed at a reasonable cost, taking into consideration the size of the industrial developments taking place at Belledune. As a result, the Board recommended that the Federal Government share with private interests the cost of developing a harbour at Belledune, and further recommended that this be developed as a public harbour and managed by the National Harbours Board. The Government approved, and in March, 1965, the Minister of Fisheries announced that the Department of Public Works would be constructing the protective breakwaters beginning some time in the summer of 1965, and that this work, as well as the initial bulk-handling facilities, was expected to be completed within two years.

The Executive Director chaired the Interdepartmental meetings and initiated the discussions with private interests on the sharing of costs of the harbour development.

OTHER BASIC SERVICES TO INDUSTRY

WATER SUPPLY AND POLLUTION

It was evident to the Board from the beginning that one of the difficult problems facing the Atlantic Region was to ensure adequate supplies of pure fresh water for industry. Many parts of the Atlantic region, because of geological and physiographic conditions, are lacking in water reserves. The problem is further complicated by the fact that over the years, insufficient attention had been given to the protection of these supplies from pollution of both municipal and industrial origin. The effects of this pollution are of particular concern to fish and other food processing industries where high standards of purity are a requisite to the marketing of the product.

Over the past year, the Board has been collaborating closely with Provincial authorities in attempting to work out satisfactory methods of encouraging the abatement of pollution from existing plants. A regional advisory committee was set up in March, 1965, comprising a representative of the Atlantic Development Board staff as chairman, and representatives from each of the four Provincial governments, as well as officials from the Engineering Division of the Department of National Health and Welfare, the Department of Mines and Technical Surveys, and the Department of Fisheries. Under the direction of this committee, a program of surveys of industrial pollution on a number of the fresh water stretches of Atlantic rivers will be undertaken during the summer of 1965. The surveys will determine the source, extent and composition of specific pollution effluents from industrial plants established on these rivers.

The Board continued to provide assistance to the primary industries by financing water supplies and sewage disposal units for primary processing plants. During the year, the Board recommended, and the Government approved, assistance in six locations — Cheticamp and Grand Etang, and Lower East Pubnico, Nova Scotia; Shippegan, New Brunswick; Bonavista, Newfoundland; and Montague, Prince Edward Island. With the exception of the one at Lower East Pubnico, all the plants were already in operation, but their water supplies could not meet the standards of quality required by the market. New sources of water had to be found. Since these plants were located in the areas where fishing is the only source of income for the communities, and where the communities have no adequate water supplies, the Board agreed to recommend that the Government finance the cost of these facilities.

During the previous year, the Board had recommended assistance to two plants — one at Georgetown, Prince Edward Island, and one at Canso, Nova Scotia. At these locations new fish-processing plants capable of handling over 30 million pounds of fish per year were in the course of construction.

a) *Georgetown*

Towards the end of the previous fiscal year, the Government had approved a Board recommendation for a contribution of \$700,000 from the Atlantic Development Fund to provide basic facilities associated with a large fish and farm products processing development at Georgetown, Prince Edward Island. During the year, and before original plans and estimates could be drawn up, the Company decided to double the capacity of the plant. This decision required the Board to re-examine the proposed water supply and sewage disposal unit and to determine their adequacy in terms of the larger production. Meantime, consultants were retained to investigate sources of water and at the close of the fiscal year the consultants were completing final details of design.

b) *Canso*

Towards the end of the previous fiscal year, the Government had approved a Board recommendation for a contribution of \$400,000 from the Atlantic Development Fund for the provision of water and sewage facilities associated with a proposed large fish-processing complex at Canso, Nova Scotia. As a result of technical investigations on the sources of fresh water, the Board found it necessary to go farther for its source of water than it originally anticipated. As a result, the Board recommended that the Government provide an additional \$110,000 for the project, and this was approved.

c) Cheticamp and Grand Etang

The Board recommended, and the Government approved, the provision of a suitable water supply for these two fish plants at an estimated cost of \$175,000 (total). The two plants are operated as an integrated operation and provide the only source of income for that area. In addition, they provide a market for the fish from the many inshore fishermen still operating between Pleasant Bay in the north of the County of Inverness, and Mabou in the south.

d) Lower East Pubnico

A large fish-processing firm selected Lower East Pubnico as a location for a herring reduction plant. The Company will be harvesting the stocks of herring which have not been previously exploited and will be manufacturing oil and meal as their principal products. The Government of Nova Scotia requested the Board for assistance in the preparation of the site and in the provision of a suitable water supply for this operation. The Board recommended, and the Government agreed, that financial assistance up to \$170,000 be provided from the Atlantic Development Fund for this project.

e) Shippegan

The Town of Shippegan in northern New Brunswick is entirely dependent upon the fishing industry for its livelihood. The continuing operation of the industry became uncertain because of the shortage of suitable fresh water for the plants. Because of the difficulty of obtaining ground or surface water in the Shippegan area, and because of the urgency of the problem, the Board recommended, and the Government agreed, to proceed with the installation of an emergency water supply, and with investigations concerning the best source of water for the fishing operation in the years to come.

The Board has retained engineering consultants to drill wells in certain areas previously selected by a hydrogeologist of the Department of Mines and Technical Surveys, and to connect these wells as an emergency supply for the fish plants. The pipelines were laid during the winter and by spring the emergency water supply was available. Investigations are continuing and it would appear that the only solution to the problem will be to supplement the use of fresh water with salt water in certain operations of the plant.

f) Bonavista, Newfoundland

The settlement of Bonavista is entirely dependent upon the fishing industry. Over the years, the character of the fishing industry at Bonavista has changed from an inshore fisheries with small boats with each crew salting

its own fish individually, to a freezing operation and larger boats selling their catch in the fresh state. The present plant is small, and if an economically viable operation is to be set up, it must be expanded. Since present fishing operations are carried on for only a short part of the year, any larger operation must be based partly on a dragger fleet. The owners of the plant are prepared to acquire these draggers and to expand the plant, but are not willing to do so unless an adequate water supply is assured. Since the settlement of Bonavista does not have a community water supply, the Province of Newfoundland requested the Board to finance a water supply for the fish-processing plant. The Board recommended, and the Government approved, the financing of this water supply at an estimated cost of \$250,000.

g) Montague, Prince Edward Island

The Government of Prince Edward Island requested the Board for assistance with the provision of a water supply for a food processing plant at Montague. In addition, the Board was requested to construct a causeway linking the plant with the main highway. The Board recommended, and the Government approved, the expenditure of \$90,000 from the Fund to finance this project. The causeway was constructed for paving in the spring. Investigations into finding additional sources of water are underway.

h) Food Waste Utilization

During the year, the Board commissioned the New Brunswick Research and Productivity Council to undertake a study for the Board on the Utilization of waste products from food processing plants in the Atlantic Region. The study will consider the related problems of the reduction of pollution.

INDUSTRIAL PARKS

a) Industrial Park, Summerside, Prince Edward Island

The Government of Prince Edward Island requested the Board to assist in the financing of an industrial park in Summerside. The park will be used by manufacturing industries and will serve both the communities of Summerside and St. Eleanor's. The Board recommended, and the Government agreed, to provide assistance in the amount of \$100,000 to finance water and sewage mains to connect the industrial park to the municipal facilities at Summerside. The Province undertook the paving of the main park highway connections. The project will be completed early in the summer of 1965.

b) Industrial Park Needs of the Halifax-Dartmouth area

The Board retained consultants to investigate and report upon the need for a publicly operated industrial park in the metropolitan area of Halifax and Dartmouth. The report was nearing completion at the end of the fiscal year.

ASSISTANCE TO INDUSTRIAL RESEARCH

PROVINCIAL RESEARCH AGENCIES

The Governments of Nova Scotia and New Brunswick requested the Board for financial assistance in the construction of research laboratories and equipment for the Nova Scotia Research Foundation, and the New Brunswick Research and Productivity Council. Recognizing the importance of industrial research and technical advice for local industry, the Board recommended, and the Government approved, the construction of laboratories and the purchase of associated equipment at a total cost of \$3 million. The Department of Public Works will supervise the construction of the laboratories on behalf of the Board. Because of the time required for the construction of the buildings, the Board has agreed to purchase some of the equipment immediately to be temporarily housed so that the Provincial Councils can get on with their task with a minimum of delay.

In the case of Nova Scotia, a sum of \$1,750,000 has been allocated for the construction and equipping of a building for the Nova Scotia Research Foundation and laboratories at Nova Scotia Technical College to house a Ceramics and Water Testing Laboratory, and a Timber Testing Laboratory.

In New Brunswick, \$1,250,000 will be provided to construct and equip a building for the New Brunswick Research and Productivity Council.

The cost of maintaining and operating these facilities will be the responsibility of the respective councils.

RESOURCE DEVELOPMENT

a) Silica Sand

At the request of the Board, the Department of Mines and Technical Surveys undertook preliminary investigation on the suitability of sand from Prince Edward Island for the manufacturing of glass containers. The results were sufficiently encouraging to warrant the engaging of consultants to continue the investigation as to the best method of beneficiating these sands to a commercial quality.

b) Beneficiation of Wabana Iron Ore

The Board shared with DOSCO the cost of investigations undertaken by consultants on the technical and economic feasibility of beneficiating Wabana iron ore, using Nova Scotia coal. Although the results were technically encouraging, the economics must be regarded as marginal. Further modifications of beneficiation are under consideration.

c) Supply and Demand of Hardwood

The Board retained consultants to carry out a study on the supply and demand for hardwood, roundwood and other raw materials in relation to the production and projected requirements for established hardwood-using industries and for potential secondary industries which may develop. The study is now underway and should be completed by the end of March, 1966.

COAL

The Board is deeply concerned with the economic and social problems arising from the deterioration of the Maritime coal industry, particularly in Cape Breton, where coal mining represents a very important sector of the local economy. The Board has, therefore, instructed the staff to work closely with all agencies concerned in finding the best possible solution. The examination of the problems had not been completed at the end of the fiscal year.

APPENDIX I

Ottawa, June 23, 1965

TO: ATLANTIC DEVELOPMENT BOARD,
THE MINISTER OF TRANSPORT,

I have examined the financial transactions of the Atlantic Development Board for the year ended March 31, 1965, in accordance with the requirement of section 18 of the Atlantic Development Board Act.

The following statements are attached showing the projects approved and funds disbursed by the Board as at March 31, 1965, and the expenses of the Board for the year ended on that date:

Statement of Atlantic Development Fund Transactions showing Projects Approved and Funds Disbursed as at March 31, 1965 — STATEMENT I
Statement of Administrative Expenses and Expenditures on Technical and Economic Surveys and Studies for the year ended March 31, 1965 — STATEMENT II

The Atlantic Development Board, with the approval of the Governor in Council, is authorized by the Atlantic Development Board Act, 1962-63, c. 10, as amended, to enter into agreements respecting the use of the Atlantic Development Fund in financing or assisting in financing, to a maximum of \$100 million, projects that will contribute to the growth and development of the economy of the Atlantic region and for which satisfactory financing arrangements are not otherwise available. As indicated by Statement I, the projects approved to March 31, 1965, amounted to \$57,660,000, against which expenditures totalling \$3,642,509 have been made, leaving outstanding commitments of \$54,017,491.

The administrative expenses and expenditures on technical and economic surveys and studies were financed by parliamentary appropriations of the Department of the Secretary of State, together with services provided by other government departments. As indicated by Statement II, these amounted to \$674,543 for the year.

In my opinion, the two statements referred to above present fairly a summary of the financial transactions of the Board for the year ended March 31, 1965.

GEORGE LONG
for Auditor General of Canada

STATEMENT I

ATLANTIC DEVELOPMENT BOARD

**Statement of Atlantic Development Fund Transactions showing
Projects Approved and Fund Disbursed as at March 31, 1965**

	<i>Approved by the Governor in Council</i>	<i>Funds Disbursed</i>	<i>Outstanding Commit- ments</i>
Power			
Mactaquac, N.B. — Hydro-electric power development	\$20,000,000	\$ 459,335	\$19,540,665
Bay d'Espoir, Nfld. — Hydro-electric power development	20,000,000	1,188,645	18,811,355
Newfoundland Power Commission — Conversion to 60 cycles	4,000,000	—	4,000,000
	<u>44,000,000</u>	<u>1,647,980</u>	<u>42,352,020</u>
Transportation			
Financial assistance for trunk highway systems:			
Province of Newfoundland	3,000,000	—	3,000,000
Province of New Brunswick	3,000,000	1,762,250	1,237,750
Province of Nova Scotia	3,000,000	—	3,000,000
	<u>9,000,000</u>	<u>1,762,250</u>	<u>7,237,750</u>
Other basic services to industry			
Water Supply and/or sewage systems, etc.:			
Canso, N.S.	510,000	29,193	480,807
Cheticamp, N.S.	140,000	375	139,625
Grand Etang, N.S.	30,000	336	29,664
Lower East Pubnico, N.S.	170,000	55	169,945
Shippegan, N.B.	125,000	40,628	84,372
Bonavista, Nfld*	250,000	—	250,000
Georgetown, P.E.I.	135,000	74,922	60,078
Montague, P.E.I.	90,000	22,744	67,256
Summerside, P.E.I.	110,000	64,026	45,974
Irish Moss pilot plant — Prince Country, P.E.I.	100,000	—	100,000
	<u>1,660,000</u>	<u>232,279</u>	<u>1,427,721</u>

STATEMENT I (Cont'd)

ATLANTIC DEVELOPMENT BOARD

	<i>Approved by the Governor in Council</i>	<i>Funds Disbursed</i>	<i>Outstanding Commit- ments</i>
Research facilities			
Financial assistance for new research laboratories and equipment:			
Fredericton, N.B.	1,250,000	—	1,250,000
Halifax, N.S.	1,750,000	—	1,750,000
	<hr/>	<hr/>	<hr/>
	3,000,000	—	3,000,000
Total	57,660,000	3,642,509	54,017,491

Certified correct:

E. P. WEEKS
Executive Director

Approved:

IAN M. MACKEIGAN, Q.C.
Chairman

I have examined the above Statement of Atlantic Development Fund Transactions showing Projects Approved and Funds Disbursed and have reported thereon under date of June 23, 1965, to the Atlantic Development Board and the Minister of Transport.

GEORGE LONG
Auditor General of Canada

STATEMENT II

ATLANTIC DEVELOPMENT BOARD

Statement of Administrative Expenses and Expenditures on Technical and Economic Surveys and Studies for the year ended March 31, 1965.

(With comparative figures for the year ended March 31, 1964)

	1965	1964
Administrative expenses		
Salaries	\$ 99,308	\$ 65,480
Employee benefits	6,175	4,277
Travel and removal expenses	16,939	14,197
Accommodation	15,200	14,200
Accounting services	7,700	6,200
Telephones and telegrams	4,765	1,999
Office equipment and supplies	3,984	3,735
Other	1,487	1,996
	<u>155,558</u>	<u>112,084</u>
Expenditures on technical and economic surveys and studies		
Beneficiation research program on Wabana iron ore, Bell Island, Nfld.	300,000	—
Engineering investigations for deep water harbour, ore dock and ancillary facilities at Belledune Point, N.B. (Cost shared with Department of Public Works)	60,429	—
Study of inter-industry flow of goods and services in the Atlantic provinces	53,555	—
Foundation investigations for tidal power development in Upper Bay of Fundy, N.B.	33,973	66,027
Consultant services re power and natural resources	17,739	12,830
Engineering investigation of suitable water supply system for fishing plant at Shippagan, N.B.	11,310	—
Economic study of grain trade via Atlantic ports	10,000	—
Study of demand and supply for hardwood in Atlantic provinces	7,890	—
Study re industrial park site in Halifax-Dartmouth area	7,500	—
Study of Newfoundland economy since Confederation	5,000	—
Economic data, reports and statistics	3,750	1,250
Study of Minto-Chipman, N.B. labour force	3,700	—
Study of trans-Atlantic container shipping operation from ports of Halifax, N.S. and Saint John, N.B.	3,240	—
Inspection services by Department of Public Works' engineers	899	—
Engineering and economic feasibility studies re submarine cable between P.E.I. and mainland	—	10,000
Preliminary study of economic aspects of effects on Atlantic ports of winter navigation in St. Lawrence river and Gulf of St. Lawrence	—	10,000
Technical aspects of winter navigation in St. Lawrence River and the Gulf	—	4,540
Total expenditure for the year	<u>518,985</u>	<u>104,647</u>
	<u>674,543</u>	<u>216,731</u>

STATEMENT II (Cont'd)

ATLANTIC DEVELOPMENT BOARD

	1965	1964
Provided by:—		
Department of Secretary of State appropriations Votes 20 and 20d	\$651,643	\$196,331
Estimated value of accommodation and accounting services provided by other government departments	22,900	20,400
	<hr/>	<hr/>
	674,543	216,731

Certified correct:

E. P. WEEKS
Executive Director

Approved:

Ian M. MACKEIGAN, Q.C.
Chairman

I have examined the above Statement of Administrative Expenses and Expenditures on Technical and Economic Surveys and Studies and have reported thereon under date of June 23, 1965, to the Atlantic Development Board and the Minister of Transport.

GEORGE LONG
for Auditor General of Canada

APPENDIX II

DETAILS OF TRUNK HIGHWAY PROGRAM

Details of Trunk Highway Program approved under the Atlantic Development Fund.

Approved \$10,000,000

Allocation:

Prince Edward Island	\$1,000,000
Nova Scotia	\$3,000,000
New Brunswick	\$3,000,000
Newfoundland	\$3,000,000

Sharing Arrangements:

Prince Edward Island	Province 25%; ADB 75% (proposed agreement not yet signed)
Nova Scotia	Province 50%; ADB 50%
New Brunswick	Province 25%; ADB 75%
Newfoundland	Province 50%; ADB 50%

NOVA SCOTIA — \$3,000,000

Bedford to Cobéquid intersection, approximately 1.4 miles.

Cobéquid intersection to Upper Sackville, approximately 5.6 miles.

Tantallon to Hubbards approximately 14.0 miles.

NEW BRUNSWICK — \$3,000,000

Rte. No. 14, Coverdale-Stoney Creek
Rogersville — Kent Junction
Acadiaville Road — Richibucto
Indian Mountain — Canaan Station
Rte. No. 11, Bartibog — East
Mates Corner — West
Dupuis Corner — East
St. Anselme
Rte. No. 33, South Nelson Diversion
Rte. No. 17, Adams Gulch — Kedwick
Norton — Apohaqui
Rothesay Avenue

Mates Corner — Port Elgin
St. Basile — Edmundston City Line
Contract 64-981 — Apohaqui
Rte. No. 8 — Boiestown — Doaktown
Rte. No. 30, Sta. 175+00 — 535+00
Rte. No. 30, Sta. 0+00 — 175+00
Rte. No. 33, Harcourt — North
Kent Junction — South
Cape Bald Area — Various
Hartland toward Cloverdale
Acadiaville Road — Richibucto
South Nelson Diversion

Bridges

Nigadoo River Bridge No. 1
Kouchibouguac River No. 2
Weldon Bridge
Hoar Bridge
Charlo River No. 1
Chatham Bridge

NEWFOUNDLAND — \$3,000,000

Reconstruction and paving of the Burin Highway between Burin and Marystown, approximately 11 miles.

Reconstruction and paving of the Trinity South Highway starting at Whitbourne for a distance of from 8 to 9 miles.

Reconstruction and paving of the Bonavista North Highway from Valleyfield to Wesleyville inclusive.

New Section of highway between Wiltondale and Rocky Harbour to join up the St. Barbe Peninsula highway with the Deer Lake Highway and Trans-Canada Highway eliminating dependence on the Bonne Bay Ferry.

Reconstruction of the highway from Brig Bay across the Great Northern Peninsula to Canada Bay and Hare Bay — (upgrading the worst section over a distance of from 40-50 miles).

Reconstruction of the old part of the Baie Verte Peninsula Highway (south end 9 to 10 miles).

New highway from Harbour Breton to Bay d'Espoir (about 10 miles).

New highway from North Harbour to Branch, to open up the west side of St. Mary's Bay.

PRINCE EDWARD ISLAND — \$1,000,000

Construction and rehabilitation of a trunk highway forming part of the main route between West Prince, Borden and Charlottetown.

11 ELIZABETH II.

CHAP. 10

An Act to provide for the establishment of an
Atlantic Development Board.

[*Assented to 20th December, 1962.*]

HER Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:

SHORT TITLE.

1. This Act may be cited as the *Atlantic Development* Short title.
Board Act.

INTERPRETATION.

2. In this Act,

Definitions.

- (a) “Atlantic region” means the region comprising the Provinces of New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland;
- (b) “Board” means the Atlantic Development Board established by section 3; and
- (c) “Minister” means such member of the Queen’s Privy Council for Canada as may from time to time be designated by the Governor in Council to act as the Minister for the purposes of this Act.

“Atlantic region.”
“Board.”
“Minister.”

ATLANTIC DEVELOPMENT BOARD.

3. A corporation is hereby established to be known as the Board established. Atlantic Development Board, consisting of five members to be appointed by the Governor in Council as provided in section 4.

4. (1) Each of the members of the Board shall be appointed to hold office for a term of five years, except that of those first appointed one shall be appointed for a term of three years and two shall be appointed for a term of four years.

Chairman.

(2) One of the members of the Board shall be appointed to be the chairman thereof.

Eligibility for reappointment.

(3) A retiring chairman or other member of the Board is eligible for reappointment to the Board in the same or another capacity.

Travelling and living expenses.

5. (1) The members of the Board shall serve without remuneration, but are entitled to be paid reasonable travelling and living expenses while absent from their ordinary place of residence in the course of their duties under this Act.

Honorarium to chairman.

Notwithstanding subsection (1), the chairman of the Board may be paid such amount per annum as an honorarium as may be approved by the Governor in Council.

Quorum.

6. Three members constitute a quorum of the Board.

Vacancy.

7. A vacancy in the membership of the Board does not impair the right of the remainder to act.

Absence, etc., of chairman.

8. The Board may designate one of its members to be vice-chairman of the Board, who shall, in the event of the absence or incapacity of the chairman or if the office of chairman is vacant, act as chairman.

OBJECTS AND POWERS.

Objects and powers.

9. (1) The objects of the Board are to inquire into and report to the Minister upon measures and projects for fostering the economic growth and development of the Atlantic region of Canada, and, without limiting the generality of the foregoing, the Board may, in furtherance of its objects,

- (a) prepare on a systematic and comprehensive basis, and revise as required in the light of changing circumstances, an assessment of factors relevant to economic growth in the Atlantic region;
- (b) keep under constant review appropriate methods of furthering the sound economic development of the Atlantic region, whether such methods involve new measures and projects or the removal or mitigation of existing factors that may be considered to inhibit such development;
- (c) with respect to particular measures or projects that may be referred to it by the Minister, inquire into,

assess and report to the Minister upon the feasibility of such measures or projects and the effect thereof in relation to the economy of the Atlantic region, and make recommendations to the Minister with respect to any such measures or projects that in the opinion of the Board would significantly contribute to the growth and development of the economy of the Atlantic region; and

- (d) consider and report to the Minister upon any other matters that in the opinion of the Board may usefully be considered by it having regard to the need for a continuing sound economic development of the Atlantic region.

(2) The Board shall, to the greatest possible extent consistent with the performance of its duties under this Act, co-operate with the National Economic Development Board, the National Productivity Council and all departments, branches and other agencies of the Government of Canada having duties related to, or having aims or objects related to those of the Board. Duty of co-operation.

ORGANIZATION.

10. The Board shall meet at such times and places as it deems necessary but shall meet at least once a year in the City of Ottawa. Meetings.

11. (1) The Governor in Council may appoint an Executive Director of the Board, who shall hold office during pleasure and shall be paid such salary and expenses as are fixed by the Governor in Council. Executive Director.

(2) The Executive Director is the chief executive officer of the Board and has supervision over and direction of the work and staff of the Board. Direction of work and staff.

12. (1) The Board may, subject to the approval of the Governor in Council, make by-laws for the regulation of its proceedings and generally for the conduct of its activities, including the establishment of advisory and other committees of the Board. By-laws.

(2) Any by-law made pursuant to subsection (1) establishing an advisory committee of the Board may provide for the membership thereon of persons other than members of the Board, in addition to members of the Board. Advisory committees.

Appointment of staff.

13. (1) The Board may

- (a) appoint such officers and employees as are necessary for the proper conduct of the work of the Board; and
- (b) prescribe the duties of such officers and employees and, subject to the approval of the Treasury Board, prescribe the conditions of their employment.

Salaries and expenses of staff.

(2) The officers and employees of the Board appointed as provided in subsection (1) shall be paid such salaries and expenses as are fixed by the Board with the approval of the Treasury Board.

Technical and special advisors.

14. The Board may engage on a temporary basis or for any period of not more than two years the services of persons having technical or specialized knowledge of any matter relating to the work of the Board, to advise and assist the Board in the performance of its duties under this Act, and with the approval of the Treasury Board may fix and pay the remuneration of such persons.

Superannuation.

15. (1) The Executive Director and the officers and employees of the Board appointed as provided by subsection (1) of section 13 shall be deemed to be employed in the Public Service for the purposes of the *Public Service Superannuation Act*, and the Board shall be deemed to be a Public Service corporation for the purposes of section 23 of that Act.

Application of Government Employees Compensation Act.

(2) The *Government Employees Compensation Act* applies to the Executive Director and the officers and employees of the Board appointed as provided in subsection (1) of section 13 and, for the purposes of that Act, such persons shall be deemed to be employees in the service of Her Majesty.

Not agent of Her Majesty.

16. The Board is not an agent of Her Majesty and, except as provided in section 15, the members, Executive Director and staff of the Board are not part of the public service.

FINANCIAL.

Appropriations.

17. All amounts required for the payment of salaries and other expenses under this Act including expenses of administration shall be paid out of moneys appropriated by Parliament for the purpose.

AUDIT.

18. The accounts and financial transactions of the Board ^{Audit.} shall be audited annually by the Auditor General, and a report of the audit shall be made to the Board and the Minister.

REPORT TO PARLIAMENT.

19. The chairman of the Board shall, within three months after the termination of each fiscal year, transmit to the Minister a statement relating to the activities of the Board for that fiscal year, including the financial statements of the Board and the Auditor General's report thereon, and the Minister shall cause such statement to be laid before Parliament within fifteen days after the receipt thereof or, if Parliament is not then sitting, on any of the first fifteen days next thereafter that Parliament is sitting.

Annual report to me made.

12 ELIZABETH II.

CHAP. 5

An Act to amend the Atlantic Development Board Act.

[*Assented to 31st July, 1963.*]

1962-63, c. 10.

HER Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:

1. Section 2 of the *Atlantic Development Board Act* is amended by striking out the work "and" at the end of paragraph (b) thereof and by adding thereto, immediately after paragraph (b) thereof, the following paragraph:

"Fund"

"(ba) "Fund" means the Atlantic Development Fund established by section 16; and"

2. (1) Sections 3 and 4 of the said Act are repealed and the following substituted therefor:

Board
established.

3. (1) A corporation is hereby established to be known as the Atlantic Development Board, consisting of eleven members to be appointed by the Governor in Council as provided in section 4.

Constitution
of member-
ship.

(2) The membership of the Board shall be constituted in such a manner as to reflect the economic structure of the Atlantic region.

Appointment
of members.

4. (1) Each of the members of the Board shall be appointed to hold office for a term of three years, except that of those first appointed four shall be appointed for a term of one year and four shall be appointed for a term of two years.

Chairman.

(2) The Governor in Council shall designate one of the members to serve as chairman of the Board during pleasure.

Eligibility
for re-
appointment.

(3) A person who has served two consecutive terms as a member of the Board is not, during the twelve month period following the completion of his second term, eligible for reappointment."

(2) A person who, at the coming into force of this Act, held office under the *Atlantic Development Board Act* as a member of the Atlantic Development Board shall be deemed to have been appointed as a member of the Board under this Act

- (a) in the case of the person who at the coming into force of this Act held the office of chairman of the Board, for a term of two years, and
- (b) in any other case, for a term of one year.

(3) The term of each of the persons first appointed to the Atlantic Development Board after the coming into force of this Act and the term of each of the persons referred to in sub-section (2) shall be calculated as if such term had commenced on the 24th day of January, 1963.

3. Section 6 of the said Act is repealed and the following substituted therefor:

“6. A majority of the members constitutes a quorum of *quorum*.
the Board.”

4. The said Act is further amended by adding thereto, immediately after section 8 thereof, the following section:

“8A. (1) The Board, is for all purposes of this Act, an <sup>Board agent
of Her
Majesty.</sup> agent of Her Majesty, and its powers under this Act may be exercised only as an agent of Her Majesty.

(2) Subject to the approval of the Governor in ^{Contracts.} Council, the Board may, on behalf of Her Majesty, enter into contracts in the name of Her Majesty or in the name of the Board.

(3) Property acquired by the Board is the property ^{Property.} of Her Majesty and title thereto may be vested in the name of Her Majesty or in the name of the Board.

(4) Actions, suits or other legal proceedings in re- ^{Proceedings.}spect of any right or obligation acquired or incurred by the Board on behalf of Her Majesty, whether in its name or in the name of Her Majesty, may be brought or taken by or against the Board in the name of the Board in any court that would have jurisdiction if the Board were not an agent of Her Majesty.”

5. Section 9 of the said Act is repealed and the following substituted therefor:

Objects and powers.

“9. (1) The objects of the Board are to inquire into and report to the Minister upon programs and projects for fostering the economic growth and development of the Atlantic region of Canada, and to consider, report and make recommendations to the Minister concerning programs and projects not involving the use of the Fund and programs and projects involving the use of the Fund; and without limiting the generality of the foregoing, the Board may, in furtherance of its objects,

- (a) prepare, in consultation with the Economic Council of Canada, and overall co-ordinated plan for the promotion of the economic growth of the Atlantic region;
- (b) keep under constant review appropriate methods of furthering the sound economic development of the Atlantic region, whether such methods involve new programs and projects or the removal or mitigation of existing factors that may be considered to inhibit such development;
- (c) with respect to particular programs or projects that may be referred to it by the Minister or that the Board may on its own initiative investigate, inquire into, assess and report to the Minister upon the feasibility of such programs or projects and the effect thereof in relation to the economy of the Atlantic region, and make recommendations to the Minister with respect to any such programs or projects that, in the opinion of the Board, will contribute to the growth and development of the economy of the Atlantic region; and
- (d) with the approval of the Governor in Council, enter into agreements with
 - (i) the government of any province comprised in the Atlantic region or the appropriate agency thereof, or
 - (ii) any other person,respecting the use of the Fund in financing or assisting in financing the undertaking and the carrying out of particular programs or projects described in subsection (1) of section 16.

(2) The Board shall, to the greatest possible extent ^{Duty of co-operation.} consistent with the performance of its duties under this Act, consult and co-operate with the Economic Council of Canada and all departments, branches and other agencies of the Government of Canada having duties related to, or having aims or objects related to those of the Board."

6. Section 16 of the said Act is repealed and the following heading and section substituted therefor:

"ATLANTIC DEVELOPMENT FUND.

16. (1) Subject to subsection 4, the Minister of Finance may, on the recommendation of the Minister, pay to the Board out of the Consolidated Revenue Fund such amounts ^{Payments out of Consolidated Revenue Fund.} as are from time to time required by the Board for the purpose of financing or assisting in financing the undertaking and the carrying out of programs and projects that, in the opinion of the Board, will contribute to the growth and development of the economy of the Atlantic region and for which satisfactory financing arrangements are not otherwise available.

(2) There shall be a special account in the Consolidated Revenue Fund to be known as the Atlantic Development Fund, to which shall be credited all amounts paid by the Minister of Finance to the Board under subsection (1) and to which shall be charged all payments in respect of programs or projects described in that subsection. ^{Atlantic Development Fund established.}

(3) No payments may be made by the Minister of Finance to the Board under subsection (1) except in respect of a program or project described in that subsection that has been approved by the Governor in Council. ^{Approval of programs or projects.}

(4) The total of all amounts that may be paid by the Minister of Finance to the Board under subsection (1) and credited to the Atlantic Development Fund is one hundred million dollars." ^{Total of amounts that may be paid.}

7. Section 17 of the said Act is repealed and the following substituted therefor:

**Appropria-
tions.**

“17. All expenditures under this Act including amounts required for the payment of salaries, technical and economic surveys and studies and other expenses including expenses of administration, except any amounts described in subsection (1) of section 16, shall be paid out of moneys appropriated by Parliament therefor.”

**Coming into
force.**

8. This Act shall come into force on a day to be fixed by proclamation of the Governor in Council.

CANADA
-A56



CANADA

ATLANTIC DEVELOPMENT BOARD

*Annual Report for the fiscal year
1965 - 66*

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CANADA

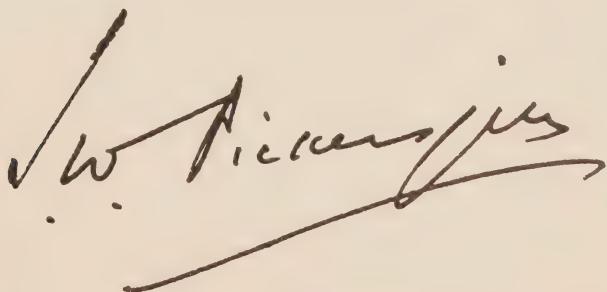
MINISTER OF TRANSPORT

To HIS EXCELLENCY GENERAL GEORGES P. VANIER, D.S.O., M.C., C.D.
Governor General and Commander-in-Chief of Canada

MAY IT PLEASE YOUR EXCELLENCY:

I have the honour herewith, for the information of Your Excellency and the Parliament of Canada, to present the Annual Report of the Atlantic Development Board and the financial statements of the Board for the fiscal year 1965-1966.

Respectfully submitted,



Minister of Transport

THE HONOURABLE J. W. PICKERSGILL, M.P.,
Minister of Transport,
Ottawa, Ont.

SIR:

I submit herewith the Annual Report of the Atlantic Development Board
and the financial statements of the Board for the fiscal year 1965-1966.

I have the honour to be, Sir,

Your obedient servant,

A handwritten signature in black ink, appearing to read "J. W. Pickersgill".

Chairman

TABLE OF CONTENTS

	PAGE
The Nature of the Problem.....	10
Establishment of the Atlantic Development Board.....	11
Organization of the Board.....	12
Broad Programs Instituted by the Board.....	14
Long Term Planning	16
Atlantic Provinces Transportation Study.....	17
Atlantic Development Program during the Board's first Three Years....	18
Electric Power Development	
The Mactaquac Hydro-Electric Power Project.....	18
Bay d'Espoir Hydro-Electric Power Project.....	19
Frequency Standardization, Newfoundland.....	19
Thermal Electric Power Generating Station, Nova Scotia.....	19
Maccan-Amherst Power Line, Nova Scotia.....	20
Power Cable, Prince Edward Island to Mainland.....	20
Industrial Water Supplies	
(Mainly for Fish and Agricultural Products Processing Plants)	20
The Trunk Highway Program.....	22
Pollution Control, Atlantic Region.....	24
Bogland Clearing, Burin Peninsula, Newfoundland.....	24
Industrial Parks, Atlantic Region.....	25
Access Roads to Fishing Ports in P.E.I.....	25
Capital Facilities for Applied Research.....	25
Research Projects.....	26
Purification of Salt Water.....	26
Industrial Park Studies.....	26
Potash Exploration.....	27
Other Board Studies.....	27
Appendix I	
Auditor General's Report.....	29
Appendix II	
Atlantic Development Board Act.....	36
Amendment to Atlantic Development Board Act.....	41

ANNUAL REPORT OF THE ATLANTIC DEVELOPMENT BOARD — 1965 - 1966

The Atlantic Development Board was established by Act of Parliament in December 1962* and the Act was amended in June 1963, the amendment providing for the establishment of a \$100 million Atlantic Development Fund and for an increase in Board membership from five to eleven to provide for broader representation appropriate to the Board's expanded functions.

The Act, as amended, empowers the Board to inquire into, and report to the Minister on, projects and programs to foster economic growth in the Atlantic region, and to make recommendations to the Minister relative to projects and programs. The Act outlines the objects and powers of the Board specifically, without limiting their generality, as follows:

"prepare, in consultation with the Economic Council of Canada, an overall co-ordinated plan for the promotion of the economic growth of the Atlantic region;

keep under constant review appropriate methods of furthering the sound economic development of the Atlantic region, whether such methods involve new programs and projects or the removal or mitigation of existing factors that may be considered to inhibit such development;

with respect to particular programs or projects that may be referred to it by the Minister or that the Board may on its own initiative investigate, inquire into, assess and report to the Minister upon the feasibility of such programs or projects and the effect thereof in relation to the economy of the Atlantic region, and make recommendations to the Minister with respect to any such programs or projects that, in the opinion of the Board, will contribute to the growth and development of the economy of the Atlantic region; and

with the approval of the Governor in Council, enter into agreements with the government of any province comprised in the Atlantic region or the appropriate agency thereof, or any other person, respecting the use of the Fund in financing or assisting in financing the undertaking and the carrying out of particular programs or projects described in subsection (1) of section 16.

The Board shall, to the greatest possible extent consistent with the performance of its duties under this Act, consult and co-operate with the Economic Council of Canada and all departments, branches and other agencies of the Government of Canada having duties related to, or having aims or objects related to those of the Board."

* 11 Elizabeth II, Chapter 10; *An Act to provide for the establishment of the Atlantic Development Board*; amended July 31, 1963, 12 Elizabeth II, Chapter 5; *An Act to amend the Atlantic Development Board Act*. (See Appendix II)

THE NATURE OF THE PROBLEM

The nature and magnitude of the economic problems of the Atlantic region have been the subject of numerous studies over the years, and of frequent submissions to federal authorities and royal commissions. In undertaking to devise a development plan for the region, the Board, therefore, does not confront a problem hitherto unexplored and devoid of suggested means of solution.

The Atlantic region is characterized by an economy which, having attained a degree of maturity in terms of an earlier technology based largely on export trade in a few basic commodities, was subjected to serious dislocation from about the mid-19th century on, which has created major problems of adjustment. In the latter part of the 19th century, many of these markets declined for a variety of reasons, and the region was poorly located to take advantage of the growing central Canadian market. Its location, previously oriented to an existing world trade, was advantageous for such trade. It is an economy where primary industry and the initial processing of their products is particularly important. Data on investment suggests that the region is still under-capitalized, both from the point of view of private capital and social capital.

Productivity levels are generally lower than the national average in most of the region's industries. This condition is in part due to the prevalence in the region of industries which typically are least productive in terms of output per man employed, e.g. mixed agriculture and inshore fishing. This, combined with the relative lack of labour-intensive secondary industry on a significant scale, has resulted in a reservoir of under-employment in subsistence farming, fishing, and part-time logging, and above-average rates of unemployment and labour force participation. In spite of substantial migration away from the region, this situation continues.

There have been a variety of responses to this situation. The most notable and sustained intervention at the federal level has been in the form of subsidization of transportation. Latterly, as the basis of regional inequalities has come to be better understood and delineated, more direct remedial measures have been adopted by the Federal Government. But the various policies and programs for economic development, instituted from time to time, however sound in themselves, were not adequate to meet the deep-seated problems of the region. It has become apparent that new approaches are necessary to exploit the resource potential and locational advantages of the region.

ESTABLISHMENT OF THE ATLANTIC DEVELOPMENT BOARD

The Atlantic Development Board represents one of a number of new approaches which are currently being instituted by the Federal Government to deal with the problems of the region.

Three essential principles of regional economic development are implicit in Board activities: programs represent A.D.B.-Provincial collaboration; the basic structure of the regional economy is assessed so programs may be developed to deal with the causes of current problems rather than to their symptoms and to make the maximum impact; and financing from the Board Fund is intended to fill a gap rather than provide a substitute for existing sources of finance.

In developing its diverse program during a period of three years, the Board has given practical recognition to the fact that while there is pressing need for early action on projects, consistency between short-term and long-term programs is the aim.

At the present time there is a general consensus on the broad developmental strategy required for the Atlantic Provinces, in which all agencies, public and private, might be expected to participate. The general strategy may be summarized as follows:

- (i) major investment in infrastructure—water, power and transportation;
- (ii) assisting present industry to achieve higher productivity;
- (iii) intensifying the investigation and utilization of resources;
- (iv) up-grading of labour force skills;
- (v) encouraging, by a variety of incentives, the growth of secondary industry.

This represents the consensus of the Board as to the directions in which economic development should take place. So far the Board has concentrated on infrastructure. The Board hopes to achieve a greater degree of comprehensiveness and provide a framework within which decisions by various agencies may be made mutually consistent.

ORGANIZATION OF THE BOARD

The Atlantic Development Board consists of eleven members appointed by the Governor-in-Council for terms which are laid down in Section 4 of the Atlantic Development Board Act as amended. Shown below is a list of the members of the Board, their addresses, the date of their initial appointment, and the expiration date of their term of office.

	<i>Address</i>	<i>Date of Initial Appointment</i>	<i>Date of Expiration of Term of Office</i>
<i>Chairman</i>			
Ian M. MacKeigan, Q.C.	Halifax, N.S.	August 2, 1963	January 24, 1969
<i>Vice-Chairman</i>			
Albert Martin	Corner Brook, Nfld.	August 2, 1963	January 24, 1969
<i>Members</i>			
Robert Cheyne Eddy	Bathurst, N.B.	August 2, 1963	January 24, 1969
Fred W. Ayre	St. John's, Nfld.	January 24, 1963	January 24, 1967
Armand H. Cormier	Moncton, N.B.	September 12, 1963	January 24, 1967
Frank H. Sobey	Stellarton, N.S.	January 24, 1963	January 24, 1967
Captain Maxwell Burry	Glovertown, Nfld.	August 2, 1963	January 24, 1968
Carl Frederick Burke	Charlottetown, P.E.I.	August 2, 1963	January 24, 1968
Stephen Dolhanty	Glace Bay, N.S.	August 2, 1963	January 24, 1968
Dr. Stephen Weyman	Saint John, N.B.	January 24, 1965	January 24, 1968
Neil R. McLeod	Summerside, P.E.I.	December 15, 1965	January 24, 1967

The staff of the Board, located in Ottawa, is directed by Dr. E. P. Weeks, Executive Director. The staff consists of a Program Division headed by Mr. F. J. Doucet, a Planning Division headed by Mr. D. Levin, and an Administrative Division headed by Mr. C. P. Russell, who is also Secretary to the Board. As of March 31, 1966, the staff consisted of 15 professional and 21 supporting staff.

In fulfilling Board functions, the staff work closely with staffs of other federal agencies. Ad hoc committees are established as required, by the Program Division, for full examination and co-ordination of projects. The Planning Division establishes continuing relationships with other agencies and work group relationships to achieve a suitable instrument for comprehensive federal-provincial-private sector planning for the region.

After a project or study has been approved, the normal practice has been that an appropriate federal department supervise the work and administer the project on the Board's behalf.

Each of the Atlantic Provinces has designated officers to maintain liaison with the Board, as follows: Nova Scotia, the Hon. W. S. K. Jones, Minister of Trade and Industry; New Brunswick, the Hon. L. G. DesBrisay, Minister of Finance and Industry, and Mr. F. R. Drummond, Economic Advisor to the Government of New Brunswick; Prince Edward Island, the Hon. Leo Ros-

siter, Minister of Industry and Natural Resources and of Fisheries; Newfoundland, the Hon. J. R. Smallwood, Premier and Minister of Economic Development, and Mr. Ian McAllister, Provincial Economist, Department of Economic Development.

The Board members of any given province, with the Chairman, constitute a provincial sub-committee of the Board.

The Board meets every two or three months at some point in the Atlantic region, and once annually in Ottawa, to consider all current aspects of the program, and to recommend on projects which involve expenditure from the Atlantic Development Fund.

Five meetings of the Board were held during the fiscal year 1965-1966: Halifax in April 1965; Labrador in July 1965; Ottawa in September 1965; Saint John in January 1966; and Halifax in March 1966.

BROAD PROGRAMS INSTITUTED BY THE BOARD

Facilities essential to industrial growth were considered inadequate in many areas of the Atlantic Provinces, and could not be financed soon enough and on the necessary scale by the provinces. During its first three years, therefore, the Atlantic Development Board has devoted the major proportion of the Atlantic Development Fund to improving the infrastructure of the Atlantic Provinces. Considerable investments have been made in capital facilities for electric power production, transportation (mainly highway improvement), supply of water for industrial purposes, and development of industrial parks.

The Board's contribution to power production facilities since its inception has involved the commitment of a \$20 million grant toward the cost of the Mactaquac hydro project in New Brunswick, \$20 million toward the Bay d'Espoir hydro project in Newfoundland, \$4 million to cover part of the cost of facilities to convert Newfoundland's large 50 cycle power output to standard 60 cycle frequency, over \$4 million to provide for a power connection from Prince Edward Island to the mainland, and \$12 million in support of a major thermal power plant in Nova Scotia. These projects are considered to round out the first phase of the Board's power program. In addition, investigations have been done relative to the feasibility of developing tidal power. In this connection, engineering studies of foundation conditions have been made at the head of the Bay of Fundy by the Board.

The Board's transportation improvement program has consisted mainly of contributions toward bringing provincial trunk highways up to all-season, all-freight standard. A total of \$10 million was granted from the Fund for this purpose, and this grant was later increased by a special vote of \$30 million.

The program to improve water supply for industry has centred mainly on fish processing plants. The program was largely in response to plant expansion and to an emergency situation created for many plants when, in 1964, federal government regulations relative to purity of water used in processing fish for export became more stringent. In all, some \$8 million has been committed in support of various water supply systems, including those for 24 fish processing plants. Another problem has been pollution of water by industrial wastes. The Board, conscious of the vital importance of adequate supplies of good quality water for industry, has committed \$2 million for payments to existing firms in the region on the basis of the reduction which they achieve in fresh water pollution from plant wastes.

Other Atlantic Development Board commitments toward fundamental and long-term objectives have included \$1,750,000 to provide research buildings and equipment to facilitate applied research by the Nova Scotia Research Foundation, and \$1,250,000 for a similar purpose to the New Brunswick Research and Productivity Council.

Programs of assistance for industrial parks have been instituted by the Board at Stellarton, Halifax County and Truro in Nova Scotia, Saint John, Dorchester Point in New Brunswick, and Summerside in Prince Edward Island.

Various studies have been made relative to short-term needs of the Board for information on which to base immediate program decisions; other studies have been relative to one of the Board's major objectives: the preparation of "an overall co-ordinated plan for the promotion of the economic growth of the Atlantic region".

LONG-TERM PLANNING

The Board's terms of reference relative to its planning responsibilities are stated in broad terms. The Board recognizes that its planning function must operate in a context where the principal decisions respecting economic policy naturally rest with the various operating departments of the federal government, the provincial governments and the private sector of the Atlantic region.

It follows from this that the end use to which the Board's planning activities will be put will be something as follows:

1. To advise the Board on matters involving expenditure from the Atlantic Development Fund and to recommend regarding the activities of other agencies;
2. To develop specific and concrete recommendations for federal government action;
3. To assess and propose measures for the co-ordination of programs by federal government agencies and provincial governments; and
4. To provide information which may suggest opportunities to the private sector.

The work of the Atlantic Development Board represents the federal government's first major commitment to broad and systematic regional planning. The Planning Division of the Board was established in June 1965. Its immediate objectives were threefold:

1. to recruit staff for the new Division;
2. to develop an approach to, and methodology for, regional economic planning which would be relevant to the circumstances of the Atlantic region;
3. to achieve as close a working relationship as possible with federal and provincial government agencies in preparing economic guidelines.

The Planning Division role is thus seen as the creation of as effective an instrument as possible for joint federal-provincial economic planning, as well as for the formulation of a set of comprehensive and coherent policy proposals for the economic development of the region.

It will take some time before the initial formulation of guidelines can be completed; however, during this period, it is anticipated that the work of the Planning Division will become increasingly useful in guiding the decisions which must be taken by the Board in pursuing its more immediate objective of improving the infrastructure of the region.

The first studies of the Division were designed to::

1. determine the potential of the various economic sectors for creating income and employment in the region;
2. identify obstacles that stand in the way of achieving this potential; and
3. indicate the directions in which solutions should be sought.

Atlantic Provinces Transportation Study

In its early work, the Board financed a number of specific studies into specific problems of transportation in the Atlantic region, which are discussed in a later section of this report. However, it soon became apparent that what was needed was an integrated study of the transportation problems of the Atlantic region as a whole, including an examination of the Maritime Freight Rates Act. At about the same time, officials of the Department of Transport were concerned with the problems of implementing certain recommendations of the MacPherson Royal Commission on Transportation. It was realized that it would be better for a single study to be undertaken to meet the purposes of both agencies. While this \$300,000 study is being financed by the Department of Transport, the terms of reference were drawn up and continuous supervision is being maintained by a committee of officials of the Department of Transport and the Board. The study started in October 1965, and a final report is due by April 1967. As far as possible the study is being co-ordinated with the work of the Board's Planning Division. The results of the study will be used in the Board's long-range development planning program.

Scope of the Study

The present and likely future routes by road, rail, air and sea (including ferries) would all be considered in relation to:

1. the internal transport requirements of the Atlantic Provinces;
2. the need to provide adequate and efficient transportation services between the Atlantic Provinces and the rest of Canada;
3. the need to link the Atlantic Provinces transportation system with the rest of the world.

Transportation facilities will be considered in relation to their financial implications and their impact on general economic development.

ATLANTIC DEVELOPMENT PROGRAM DURING THE BOARD'S FIRST THREE YEARS

Pending the drawing up of a long-term plan for the economic growth of the Atlantic Provinces, the Board has recognized certain obvious areas for action which would provide an immediate stimulus to the economy of the region. Accordingly, the Board selected a number of categories of projects which would significantly aid in the development of an environment in which industry could function more efficiently. The major basic needs were considered to be adequate supplies of low-cost electric power, improved transportation, suitable supplies of water for industries, facilities for serviced industrial sites in various strategic areas, and better applied research. On the Board's recommendation, the projects which follow were initiated during the three-year period ending March 31, 1966.

ELECTRIC POWER DEVELOPMENT

The Mactaquac Hydro-Electric Power Project

The \$113 million Mactaquac dam and power project, located on the Saint John River, 14 miles above Fredericton, will be the largest engineering work ever undertaken in New Brunswick. The dam will have an operating head of 110 feet, and will create a narrow lake 58 miles long. With the installation by 1976, of six turbines, the generating capacity of the project will be 600,000 kilowatts. The floodgates of the dam are expected to close in 1967, and three turbines, each of 100,000 kilowatt capacity, will be installed and operating by 1968.

An Atlantic Development Board grant of \$20 million, made in 1964, enabled the New Brunswick Electric Power Commission to raise capital at rates more favourable than would otherwise have been possible, and to proceed immediately with construction of a large-scale project. The Board grant will have the effect of significantly reducing power rates below what would have been possible without the grant; this is particularly important to power intensive industries.

The New Brunswick Electric Power Commission is responsible for construction of the power project, the distribution and sale of power, and the installation of fish lifts and fish hatchery capacity. Creation of the reservoir necessitates the relocation of several hundred residents of the Saint John River Valley. At the same time, it provides opportunity for systematic development of the recreational potential of the new shoreline. This latter aspect of the Mactaquac project is being undertaken under the Rural Development Act (ARDA), in co-operation with the New Brunswick Community Improvement Corporation.

Bay d'Espoir Hydro-Electric Power Project

The major contribution of the Atlantic Development Board to the development of Bay d'Espoir consisted of a \$20 million outright grant toward construction of the hydro project. As with Mactaquac, this grant enabled favourable financing, reasonable rates for power, and an early start.

Utilizing the waters of Newfoundland's Salmon and Grey Rivers, the \$60 million first stage of the Bay d'Espoir power project will produce 300,000 horsepower (224,000 kilowatts). The project will more than double Newfoundland's generating capacity and will provide for the needs of that Province until 1972. Water will drop from a head 600 feet above tidewater, through three 100,000 horsepower turbines.

Bay d'Espoir will provide ample power at a time when the Island is so short of power that industrial expansion—particularly resource-based expansion—is virtually at a standstill. The project will alter domestic conditions for most of the rural population, now suffering from a power shortage so acute as to preclude use of modern electrical appliances in homes. The three private power systems, which now operate independently, without inter-connecting transmission lines, will be succeeded by a province-wide power grid.

Frequency Standardization, Newfoundland

About 70 per cent of Newfoundland's electric power load is generated at 50 cycles per second, instead of the standard North American frequency of 60 cycles. In order to avoid the continuing inefficiency of two power transmission systems, the Newfoundland Government is standardizing the system on 60 cycles. Three frequency converters will be installed to provide for the 50 cycle power needed for pulp mills whose equipment is suited only to this frequency. The decision of Newfoundland to standardize is particularly important because 60 cycle power from the Bay d'Espoir development will be fed throughout the Province by an inter-connecting transmission system.

A grant of \$4 million by the Board toward purchase and installation of three frequency converters has been approved. This grant represents about one-third of the total cost of the conversion program.

Thermal Electric Power Generating Station, Nova Scotia

The rising general power demand in Nova Scotia, together with the requirements of industry, necessitate the development of substantial additional generating capacity. Accordingly, the Board granted \$12 million toward the construction of a \$24 million thermal generating plant.

With 150,000 kilowatt capacity, the generating station will be the largest thermal unit in the Atlantic region. In addition to providing for the general power load increase, it will provide a substantial block of power for industrial

use. The expanded plant will ultimately use up to 400,000 tons of coal annually, mainly from Cape Breton.

Maccan-Amherst, Nova Scotia Power Line

The Board granted \$112,800 to assist in the construction of a 69,000 volt power transmission line to meet the requirements of a steel products company, enabling additional employment of about 100 men.

Power Cable, Prince Edward Island to Mainland

Subsequent to an engineering investigation of the feasibility of laying a submarine cable across Northumberland Strait to Prince Edward Island, the Board approved the allocation of \$5 million for this purpose. With the announcement of the Federal Government's intention to construct a causeway over the Strait, it became obvious that the proposed submarine cable would be economically and technically inferior to a power line carried by the causeway; therefore, this cable will be built in phase with the causeway construction, at an estimated cost of \$4.3 million.

INDUSTRIAL WATER SUPPLIES

Mainly for Fish and Agricultural Products Processing Plant

With expanding requirements and the introduction in 1964 of new federal regulations requiring a higher standard of purity for water used to process fish for export, many plants in the Atlantic Provinces were faced with a serious situation, due to the inadequacy of supply of suitable water. The Atlantic Development Board, therefore, undertook to provide financial support for the construction of numerous water supply projects to assist industries whose needs were critical.

The projects approved to date are as follows:
Example:

Riverport, N.S.

A Board grant of \$250,000 was made in support of an improved water system for a fresh and frozen fish processing plant. This plant is being expanded and modernized to handle 40 million pounds per year, with employment for 200 people in the plant and an additional 200 to 250 on deep-sea and inshore fishing vessels.

Canso, N.S.

A major fisheries operation at Canso, Nova Scotia, involves the construction of a modern fish processing plant and the creation of a large supporting fleet of draggers. In its initial phase, the plant will process about 40 million

pounds of fish annually, from landings by the draggers and a large number of inshore fishermen. In 1970, a second phase of development is expected to double the capacity of the operation. The plant will be constructed by a private company, with assistance by the provincial government. The Atlantic Development Board provided assistance in the construction of a water pipeline and sewage facilities in the amount of \$747,919.

Georgetown, P.E.I.

A fish and agricultural products processing plant has been constructed by a private company with assistance from the provincial government. Initial employment in the plant and on the fishing vessels is in the order of 300, and later developments are expected to double this. Assistance totalling \$850,000 has been provided by the Board in the form of a water supply from artesian wells, and a pipeline, and the plans of a sewage system for plant wastes are under engineering study.

Bonavista, Newfoundland

A fresh water supply, urgently required to assist the development of the fishing industry in Bonavista, was financed by a Board grant of \$267,000. These facilities allow expansion of the processing industry, almost doubling the processing plant labour force, and providing increased earning opportunities for fishermen.

Shippegan, N.B.

(Phase 1, fresh water; Phase 2, salt water)

With an emergency situation facing several plants at Shippegan, due to the fact that the water supply had become brackish and polluted, and as an increased water supply was essential to the development of the fish processing industry of the town and adjoining region, the Board granted \$152,000 toward well-drilling and pipeline construction to provide for an emergency supply of fresh water. The second phase of the Shippegan project entailed a grant of \$346,000 to provide for a supply of salt water for fish processing—salt water being as useful as fresh water for such purposes as fluming fish in a plant.

In addition to the above, the Board has committed funds to the water supply projects noted below.

NOVA SCOTIA

Stellarton

Provision of an additional water supply system for the expansion of an industrial park.....	\$ 300,000
---	------------

Cheticamp

Provision for a suitable fresh water supply for fish processing..	140,000
---	---------

<i>Grand Etang</i>		
Provision of suitable salt water supply for fish processing.....		46,629
<i>Lower East Pubnico</i>		
Water supply for fish processing, and plant site preparation .		130,554
NEW BRUNSWICK		
<i>Milltown</i>		
Construction of a water pipeline for a wood processing plant		100,000
NEWFOUNDLAND		
Water supplies for fish plants in the following centres: Fortune, \$421,000; Port Union-Catalina, \$565,000; Fermeuse, \$230,000; Isle aux Morts, \$415,000; Harbour Grace, \$695,000; Trepassey, \$311,000; Bay de Verde, \$109,000; Burgeo, \$863,000; Gaultois, \$266,000; St. Anthony, \$306,000; Englee, \$148,000; Twillingate, \$244,000; Ramea, \$209,000; Newtown, \$50,000: Total.....		\$4,832,000

PRINCE EDWARD ISLAND

<i>Montague</i>		
Provision of wells for an agriculture products processing plant		\$ 13,480

THE TRUNK HIGHWAY PROGRAM

A major problem in the development of all four Atlantic Provinces is the need to up-grade, and in some cases construct, main trunk highways. Accordingly, in 1964, a commitment of \$10 million was made from the Fund: \$1 million to Prince Edward Island and \$3 million to each of the other Atlantic Provinces. The Board provided up to 75 per cent of the cost of improving selected roads. In the 1965-1966 fiscal year, Parliament voted \$30 million (which did not involve the Atlantic Development Fund) to assist the Atlantic Provinces in trunk highway improvement on a 50:50 cost share basis: \$3 million was provided to Prince Edward Island and \$9 million to each of the other Atlantic Provinces.

The highways which make up the program in each province have been agreed upon between the Board and the province concerned, the highways being chosen for their importance in the development of the regional economy. In the three Maritime Provinces, particular emphasis is attached to bringing trunk roads up to all-season standards which now apply to the Trans-Canada Highway. In Newfoundland, there is still a need for very heavy expenditures

on roads to open up new areas as well as basic roads needed to improve communication and transportation between centres of population and activity.

Nova Scotia

In Nova Scotia the following highways will be brought up to modern all-season standards by the program: Bedford to Upper Sackville, Hubbards to the Prospect Connector, the Sydney By-Pass, the Brookfield Connector, Enfield to Shubenacadie, the Kentville and Wolfville By-Pass, and the Avonport Diversion to Falmouth. In this way, the links between important centres of activity within the Province will be substantially improved. The work on the Sydney By-Pass will provide a rapid connection between all the main centres of industrial Cape Breton and the Trans-Canada Highway at North Sidney.

Prince Edward Island

In Prince Edward Island the program is designed to up-grade towards all-weather standards the main highway connection between the western end of the Island including Summerside and the Trans-Canada Highway. Other portions of the program are concerned with up-grading main east-west links to Charlottetown and providing an all-weather road across the south-east peninsula of the Province linking the important fish and vegetable processing centres at Montague and Georgetown with the Trans-Canada Highway.

New Brunswick

In New Brunswick a large portion of the work will be on Route 1 connecting Saint John with both the American border at Calais and the Trans-Canada Highway near Moncton, assisting in strengthening the main inter-regional link. The program also includes \$2½ million for the Saint John Throughway which forms part of this main inter-regional link. Substantial assistance is also being devoted to the improvement of the main route along the east coast from Chatham to the Nova Scotia border.

Newfoundland

Newfoundland, because of the scattered dispersion of the population and difficult terrain, still requires very heavy expenditures in establishing an adequate system of road connections, and in some cases these will not be paved. Thus, substantial assistance is being given under the program to the Bay d'Espoir Highway running across the centre of the Province from the new national harbour at Bay d'Espoir on the south coast to the Trans-Canada Highway near Grand Falls in north central Newfoundland. The program also includes a number of roads designed to link important mineral, timber and fishing areas with the main highway system of the Province.

POLLUTION CONTROL, ATLANTIC REGION

The Board's decision to provide direct financial assistance to industry for the abatement of industrial pollution of fresh water represents a pioneering step in Canada.

The most serious pollution problems in the Atlantic Provinces centre around the Saint John River in New Brunswick, the Annapolis and Cornwallis Rivers of Nova Scotia, and various water bodies of Newfoundland and Prince Edward Island. The Saint John River is grossly polluted from Edmundston to Saint John Harbour. Most of the pollution originates from the processing of wood and food products located above the Mactaquac power development. The pollution problem of the Saint John River is particularly critical, because its continuance would seriously undermine the objective of making the Mactaquac project multi-purpose. Thus, the problem must be resolved before the floodgates at Mactaquac are closed in the spring of 1967.

The Board in 1965 provided pollution testing equipment costing \$10,000 and arranged for the federal Department of National Health and Welfare to carry out pollution surveys on selected Atlantic rivers to determine the extent and type of pollution.

A fund of \$2 million has been established by the Board, to be used directly in assisting industry to reduce pollution. The amount of assistance will be based on the abatement of pollution achieved according to a prescribed formula. It is estimated that the assistance given represents about 20 per cent of the total amount required to bring industrial pollution of fresh waters to an acceptable level in the Atlantic region.

The Atlantic Regional Advisory Committee on Industrial Pollution was established in 1965 to co-ordinate research and pollution control measures. Its membership includes a representative from each provincial Water Authority, the Atlantic Development Board, the Federal Department of Fisheries, the Department of National Health and Welfare, and the Department of Mines and Technical Surveys.

BOGLAND CLEARING, BURIN PENINSULA, NEWFOUNDLAND

Newfoundland, with 2.5 million acres of first class bogland suitable for a variety of crops, has a major interest in ascertaining whether these lands are economic for the growing of feed grains and hay to be used in the production of beef cattle. To date, some 2,000 acres have been cleared and drained by the Newfoundland Government but all in small parcels. The Board is participating in this program.

INDUSTRIAL PARKS, ATLANTIC REGION

Properly serviced industrial land is considered by the Board to be essential if new industry is to be attracted to Atlantic Provinces centres. The development of industrial areas serviced with water and sewage facilities, road and rail access, and power substation, requires large capital outlays. Consequently, municipalities may wait a long time before recovering capital costs through the lease or sale of such lands, or from improved tax revenue. Furthermore, most municipalities would find it extremely difficult to finance the initial phase of the development of an industrial park. In some cases, even with Board assistance, the municipalities were still forced to borrow money from the provincial governments to finance their share of the cost of the park. The Board has committed funds toward the development of industrial parks in several centres selected in consultation with the provinces and after retaining consultants to study the needs for industrial parks.

The assistance given by the Board is not given directly to the municipality but through the province under agreement which stipulates the terms and conditions of the assistance.

The Board has provided assistance in the following centres:

	\$
Summerside, P.E.I.....	118,000
Halifax County, N.S.....	560,000
Stellarton, N.S.....	700,000
Truro, N.S.....	200,000
Saint John, N.B.....	450,000
Dorchester Point, N.B.....	1,500,000

ACCESS ROADS TO FISHING PORTS IN P.E.I.

Unsurfaced roads in Prince Edward Island become almost impassable during spring break-up. The lobster season opens in early May, and movement of gear to boats, and lobsters from boats, becomes extremely difficult. This is also a problem for Irish Moss harvesters, oyster fishermen and others. The lobster season is extremely short, but the catch very valuable. It is imperative, therefore, that no fishing time be lost. Furthermore, the fishing industry is one of the important contributors to the wealth of the Island, and the Board has committed \$675,000 toward paving access roads to fishing ports—this amount being 90 per cent of the estimated total cost of the roads.

CAPITAL FACILITIES FOR APPLIED RESEARCH

With a view to ensuring an adequate standard of applied research in support of industry, the Board granted \$1,750,000 to the Nova Scotia Re-

search Foundation toward the cost of research buildings and equipment. Three buildings are being constructed. The largest is a laboratory building which will also serve as the headquarters of the Research Foundation at Dartmouth, and the other two will be located on the campus of the Nova Scotia Technical College at Halifax. Of the total grant, about \$1,140,000 will be spent on buildings, \$610,000 on laboratory equipment.

A grant of \$1,250,000 was made to the New Brunswick Research and Productivity Council for similar use in that Province. The New Brunswick building will cost about \$750,000 and the equipment \$500,000. The laboratory will be located on the campus of the University of New Brunswick.

The laboratories will co-operate to avoid overlapping of research, and both laboratories will conduct research on behalf of Newfoundland and Prince Edward Island.

RESEARCH PROJECTS

The Atlantic Development Board, wherever possible, utilizes the results of the research conducted by other government agencies. In certain instances where no research agency is in a position to carry out a project on behalf of the Board, it contracts with a research organization to have the job done.

To date, the Board has financed studies relating to water supply, power, transportation, industrial parks, minerals and regional planning. The following are representative of these kinds of studies:

Purification of Salt Water

With pure water for fish processing in short supply nearly everywhere in the Atlantic Provinces, new measures are required to permit use of present sources of supply which have become polluted. Unless this is done, the development of the fishing industry will be jeopardized. Although salt water is acceptable for some phases of fish processing, unfortunately, inshore water near many Atlantic Provinces fishing communities has become polluted.

To meet this problem, a pilot plant study was carried out at Riverport, Nova Scotia, to test the efficiency and economics of treating large volumes of salt water by several different processes.

Industrial Park Studies

Many Atlantic region communities lack suitably located, adequately serviced land which can be made available to attract industry. The general Board policy of supporting the establishment of industrial parks of suitable size in suitable locations, requires improved knowledge of local conditions and of regional economic factors. Accordingly, the Board commissioned a \$40,000 study of four areas in the Atlantic Provinces: the Saint John area and the

Moncton-Dieppe area of New Brunswick; the industrial area of Cape Breton; and the Pictou-New Glasgow area of Nova Scotia.

Potash Exploration

Previous geological and geochemical work by the Province of Nova Scotia indicated the possible existence of potash beds in a number of locations in the Pugwash area. At the request of the Province, the Board approved assistance in the amount of \$150,000 for a program of shallow drilling and related studies to further the program of exploration.

OTHER BOARD STUDIES

	<i>Authorized Amount</i>
<i>Water Supplies</i>	
Engineering investigations of water supply system for fish plants at Shippegan, N.S.....	\$ 11,310
Stream gauging survey, North West Brook, Trepassey, Newfoundland.....	5,000
Studies of the water supply systems in selected areas for fish processing plants in Nova Scotia and Newfoundland.....	130,000
Feasibility study on the water supply for the proposed pulp and paper mill at Come-by-Chance, Newfoundland.....	12,800
<i>Power</i>	
Engineering study of foundation conditions relative to possible tidal power development at Shepody Bay-Cumberland Basin area.....	100,000
Engineering and economic feasibility studies re submarine power cable between Prince Edward Island and the mainland..	10,000
Sub-surface investigation for a possible tidal power development at the entrance to Minas Basin in the Bay of Fundy.....	70,000
<i>Transportation</i>	
Engineering investigations for deep water all-season harbour at Belledune Point, N.B. (Cost shared with the Department of Public Works).....	87,500
Technical aspects of winter navigation in the St. Lawrence River and Gulf	10,000
Preliminary study of the economic aspects of the effects on Atlantic Ports of winter navigation in the St. Lawrence River and Gulf	4,540
Study of trans-Atlantic container shipping operations for Atlantic Ports.....	23,976
Economic study of grain trade of Atlantic Ports.....	25,000

Study of transportation networks and urban systems of the Provinces of Nova Scotia and New Brunswick.....	3,500
<i>Industrial Parks</i>	
Study of industrial park locations in the Halifax-Dartmouth area.....	15,000
Study of a proposed industrial park and industrial opportunities in Edmundston, N.B.....	15,000
Study of a proposed industrial park, St. John's, Newfoundland	25,000
<i>Mineral Research</i>	
Research program on beneficiation of Wabana iron ore. (Shared equally with the Company).....	300,000
Investigations into the feasibility of beneficiating silica sand in P.E.I. for the production of glass.....	3,000
<i>Planning</i>	
Labour market study—Minto, N.B. coal fields, (Cost shared equally with Government of New Brunswick).....	3,700
Study on economic changes in Newfoundland since Confederation.....	7,000
Study of the inter-industry flow of goods and services in the Atlantic Provinces.....	95,000
Theoretical and empirical analysis of the main factors accounting for the disparity in per capita personal income between the Atlantic region and Canada as a whole.....	6,500
Theoretical and empirical analysis of the location difficulties of the Atlantic Provinces manufacturing industries.....	6,000
Study of the export trade of the Atlantic Provinces.....	3,500
Analysis of Federal Government expenditures in the Atlantic Provinces.....	3,500
Pilot industrial opportunity study of Cape Breton.....	2,000
<i>Miscellaneous</i>	
Investigation into supply of and demand for hardwood in the Atlantic region.....	50,000
Study of waste products of food and beverage industries of the Atlantic region.....	9,600
Atlantic Provinces Economic Council: economic data, reports and statistics.....	10,000
Study of tourist facilities, P.E.I.....	20,000
Total.....	\$1,068,426

Appendix I

AUDITOR GENERAL'S REPORT

Ottawa, June 21, 1966

To: ATLANTIC DEVELOPMENT BOARD
THE MINISTER OF TRANSPORT

I have examined the financial transactions of the Atlantic Development Board for the year ended March 31, 1966 in accordance with section 18 of the Atlantic Development Board Act.

The following statements are attached showing the projects approved and funds disbursed by the Board as at March 31, 1966 and the expenses of the Board for the year ended on that date:

Statement of Atlantic Development Fund Transactions showing Projects Approved and Funds Disbursed as at March 31, 1966	— STATEMENT I
Statement of Expenditures under the Trunk Highway Program as at March 31, 1966	— STATEMENT II
Statement of Administrative Expenses and Expenditures on Technical and Economic Surveys and Studies for the year ended March 31, 1966.	— STATEMENT III

The Atlantic Development Board, with the approval of the Governor in Council, is authorized by the Atlantic Development Board Act, 1962-63, c. 10, as amended, to enter into an agreement with each of the four Atlantic Provinces respecting the use of the Atlantic Development Fund in financing or assisting in financing, to a maximum of \$100 million, projects that will contribute to the growth and development of the economy of the Atlantic region and for which satisfactory financing arrangements are not otherwise available. As indicated by Statement I, the projects approved to March 31, 1966 amounted to \$76,706,069 against which expenditures totalling \$24,501,698 have been made, leaving outstanding commitments of \$52,204,371.

During the year under review a second agreement with respect to a trunk highway system was entered into with each of the four Atlantic Provinces. Costs of this program, which is administered by the Board, are chargeable to Department of Transport vote 112 of 1965-66 which reads:

"to authorize expenditures, in the current and subsequent fiscal years, not exceeding in the aggregate \$30,000,000 as the federal share of costs of a trunk highway program for the Provinces of Newfoundland, Nova Scotia, Prince Edward Island and New Brunswick in accordance with agreements entered into by the Atlantic Development Board and the respective Provinces."

Expenditures of \$2,095,447 were made in the year with respect to this program as shown in Statement II.

As indicated by Statement III costs of administration and operation totalled \$817,023, of which \$800,723 was charged to appropriations of the Department of Transport in respect to administrative expenses, and expenditures on technical and economic surveys and studies. The remaining \$16,300 represents the estimated costs of services provided by other government departments.

In my opinion the three statements referred to above present fairly a summary of the financial transactions of the Board for the year ended March 31, 1966.

A. M. HENDERSON,
Auditor General of Canada

Statement I

ATLANTIC DEVELOPMENT BOARD
Statement of Atlantic Development Fund Transactions
showing Projects Approved and Funds Disbursed
as at March 31, 1966

	<i>Approved by the Governor in Council</i>	<i>Funds Disbursed</i>	<i>Outstanding Commit- ments</i>
Power			
Bay D'Espoir, Nfld. — Hydro-electric power development.....	\$20,000,000	\$ 8,530,675	\$11,469,325
Mactaquac, N.B.—Hydro-electric power development.....	20,000,000	8,219,996	11,780,004
Power cable to link Prince Edward Island with mainland.....	4,300,000	—	4,300,000
Newfoundland and Labrador Power Commission—Conversion to 60 cycles.....	4,000,000	695,637	3,304,363
Maccan to Amherst, N.S.—Grant towards cost of power line.....	112,800	—	112,800
	48,412,800	17,446,308	30,966,492
Transportation			
Financial assistance for trunk highway systems:			
Province of New Brunswick.....	3,000,000	3,000,000	—
Province of Newfoundland.....	3,000,000	1,700,000	1,300,000
Province of Nova Scotia.....	3,000,000	167,250	2,832,750
Province of Prince Edward Island ...	1,000,000	790,209	209,791
Financial assistance for paving access roads to selected fishing ports:			
Province of Prince Edward Island ...	675,000	—	675,000
	10,675,000	5,657,459	5,017,541
Other basic services to industry			
Water supply and/or sewage systems, etc.:			
Fortune, Harbour Grace, Port Union, Fermeuse and Isle aux Morts, Nfld...	2,326,000	—	2,326,000
Trepassey, Bay de Verde, Burgeo, Gaultois, St. Anthony, Englee and Twillingate, Nfld.....	2,247,000	—	2,247,000
Georgetown, P.E.I.....	850,000	543,863	306,137
Canso, N.S.....	747,919	95,747	652,172
Shippegan, N.B.....	498,546	152,715	345,831
Bonavista, Nfld.....	267,067	31,674	235,393
Riverport, N.S.....	242,000	—	242,000
Lower East Pubnico, N.S.....	218,775	185,543	33,232
Cheticamp, N.S.....	140,000	38,851	101,149
Hartland, N.B.....	125,000	—	125,000
Milltown, N.B.....	100,000	—	100,000
Montague, P.E.I.....	50,000	13,480	36,520
Newton, Nfld.....	50,000	—	50,000
Grand Etang, Nfld.....	46,629	43,273	3,356

Statement I (cont'd)

ATLANTIC DEVELOPMENT BOARD

	<i>Approved by the Governor in Council</i>	<i>Funds Disbursed</i>	<i>Outstanding Commit- ments</i>
Industrial Park facilities:			
Dorchester Point, N.B.....	1,500,000	—	1,500,000
Stellarton, N.S.....	700,000	—	700,000
Lakeside, N.S.....	560,000	—	560,000
Saint John, N.B.....	450,000	—	450,000
Truro, N.S.....	200,000	—	200,000
Summerside, P.E.I.....	118,327	116,174	2,153
Abatement of industrial water pollution..	2,000,000	—	2,000,000
Trawler repair facilities — Marystowm, Nfld.....	825,000	—	825,000
Boglands clearing—Burin Peninsula, Nfld.	156,000	—	156,000
Fish processing plant—Port Mouton, N.S.	145,006	8,200	136,806
Causeway construction—Montague, P.E.I.	40,000	22,744	17,256
Water pollution metering equipment.....	10,000	9,356	644
	<u>14,613,269</u>	<u>1,261,620</u>	<u>13,351,649</u>
Research facilities			
Financial assistance for new research			
laboratories and equipment:			
Halifax—Dartmouth, N.S.....	1,750,000	17,505	1,732,495
Fredericton, N.B.....	1,250,000	115,084	1,134,916
	<u>3,000,000</u>	<u>132,589</u>	<u>2,867,411</u>
Sundry expenditures.....	5,000	3,722	1,278
Total.....	<u>\$76,706,069</u>	<u>\$24,501,698</u>	<u>\$52,204,371</u>

Certified correct:

E. P. WEEKS,
Executive Director

Approved:

I. M. MACKEIGAN,
Chairman

I have examined the above Statement of Atlantic Development Fund Transactions showing Projects Approved and Funds Disbursed and have reported thereon under date of June 21, 1966 to the Atlantic Development Board and the Minister of Transport.

A. M. HENDERSON,
Auditor General of Canada

Statement II

ATLANTIC DEVELOPMENT BOARD

Statement of Expenditures under the Trunk Highway Program
as at March 31, 1966

	<i>Approved by the Governor in Council</i>	<i>Funds Disbursed</i>	<i>Outstanding Commit- ments</i>
Province of New Brunswick.....	\$9,000,000	\$ 889,447	\$8,110,553
Province of Newfoundland.....	9,000,000	603,000	8,397,000
Province of Nova Scotia.....	9,000,000	603,000	8,397,000
Province of Prince Edward Island.....	3,000,000	—	3,000,000
	<hr/> \$30,000,000	<hr/> \$2,095,447	<hr/> \$27,904,553

Certified correct:

E. P. WEEKS
Executive Director

Approved:

I. M. MACKEIGAN
Chairman

I have examined the above Statement of Expenditures under the Trunk Highway Program and have reported thereon under date of June 21, 1966 to the Atlantic Development Board and the Minister of Transport.

A. M. HENDERSON
Auditor General of Canada

ATLANTIC DEVELOPMENT BOARD

**Statement of Administrative Expenses and Expenditures
on Technical and Economic Surveys and Studies
for the year ended March 31, 1966**

(with comparative figures for the year ended March 31, 1965)

	1966	1965
Administrative expenses		
Salaries.....	\$253,410	\$ 99,308
Employee benefits.....	12,944	6,175
Travel and removal expenses.....	38,948	16,939
Accommodation.....	12,500	15,200
Accounting services.....	3,800	7,700
Telephone and telegrams.....	8,642	4,765
Office equipment and supplies.....	21,618	3,984
Other.....	8,855	1,487
	<hr/> 360,717	<hr/> 155,558
Expenditures on technical and economic surveys and studies per attached Appendix.....	456,306	518,985
	<hr/> \$817,023	<hr/> \$674,543
Provided by:		
Department of Transport appropriation Votes 110 and 110b ..	800,723	—
Department of Secretary of State appropriations Votes 20 and 20d.....	—	651,643
Estimated value of accommodation and accounting services provided by other government departments.....	16,300	22,900
	<hr/> \$817,023	<hr/> \$674,543

Certified correct:

E. P. WEEKS
Executive Director

Approved:

I. M. MACKEIGAN
Chairman

I have examined the above Statement of Administrative Expenses and Expenditures on Technical and Economic Surveys and Studies and have reported thereon under date of June 21, 1966 to the Atlantic Development Board and the Minister of Transport.

A. M. HENDERSON
Auditor General of Canada

Addendum to Statement III

ATLANTIC DEVELOPMENT BOARD

Expenditures on technical and economic surveys and studies

	1966	1965
Study of the water supply system of fish processing plants in Newfoundland.....	\$ 79,990	\$ —
Study of potash exploration in Nova Scotia.....	66,576	—
Minas Basin foundation study.....	55,325	—
Study of inter-industry flow of goods and services in Atlantic provinces.....	46,445	53,555
Study of demand and supply for hardwood in Atlantic provinces	42,110	7,890
Industrial park studies at various centres.....	37,500	7,500
Engineering investigations for deep water harbour, ore dock and ancillary facilities at Belledune Point, N.B. (cost shared with Department of Public Works).....	25,824	60,429
Study of trans-Atlantic container shipping operation from ports of Halifax, N.S. and Saint John, N.B.....	20,736	3,240
Economic study of grain trade via Atlantic ports.....	15,000	10,000
Consultant services re power and natural resources.....	16,636	17,739
Water supply study at Come-by-Chance, Nfld.....	12,800	—
Study on waste products of food and beverage industries in Atlantic provinces.....	9,600	—
Industrial location study.....	5,841	—
Investigation into disparity between per capita personal income in the Atlantic region and the rest of Canada.....	4,568	—
Analysis of Federal expenditures in the Atlantic provinces.....	3,229	—
Beneficiation research program on silica sand.....	3,000	—
Study on transportation network and urban systems of the provinces of Nova Scotia and New Brunswick.....	3,000	—
Study of export trade of Atlantic provinces.....	2,600	—
Public information consultant services.....	2,400	—
Pilot industrial opportunity study of Cape Breton Island.....	2,000	—
Office services.....	1,126	—
Beneficiation research program on Wabana iron ore, Bell Island, Nfld.....	—	300,000
Foundation investigations for tidal power development in Upper Bay of Fundy, N.B.....	—	33,973
Engineering investigation of suitable water supply system for fishing plant at Shippagan, N.B.....	—	11,310
Study of economy in Newfoundland since Confederation.....	—	5,000
Economic data, reports and statistics.....	—	3,750
Study of Minto—Chipman, N.B. labour force.....	—	3,700
Inspection services by Department of Public Works' engineers.....	—	899
	<u><u>\$456,306</u></u>	<u><u>\$518,985</u></u>

11 ELIZABETH II.

CHAP. 10

An Act to provide for the establishment of an
Atlantic Development Board.

[Assented to 20th December, 1962.]

HER Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:

SHORT TITLE.

Short title.

1. This Act may be cited as the *Atlantic Development Board Act*.

INTERPRETATION.

Definitions.

“**Atlantic region.**”

“**Board.**”

“**Minister.**”

Board established.

Appointment of members.

Chairman.

Eligibility for reappointment.

2. In this Act,

- (a) “**Atlantic region**” means the region comprising the Provinces of New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland;
- (b) “**Board**” means the Atlantic Development Board established by section 3; and
- (c) “**Minister**” means such member of the Queen’s Privy Council for Canada as may from time to time be designated by the Governor in Council to act as the Minister for the purposes of this Act.

ATLANTIC DEVELOPMENT BOARD

3. A corporation is hereby established to be known as the Atlantic Development Board, consisting of five members to be appointed by the Governor in Council as provided in section 4.

4. (1) Each of the members of the Board shall be appointed to hold office for a term of five years, except that of those first appointed one shall be appointed for a term of three years and two shall be appointed for a term of four years.

(2) One of the members of the Board shall be appointed to be the chairman thereof.

(3) A retiring chairman or other member of the Board is eligible for reappointment to the Board in the same or another capacity.

5. (1) The members of the Board shall serve without remuneration, but are entitled to be paid reasonable travelling and living expenses while absent from their ordinary place of residence in the course of their duties under this Act. Travelling and living expenses.

Notwithstanding subsection (1), the chairman of the Board may be paid such amount per annum as an honorarium as may be approved by the Governor in Council. Honorarium to chairman.

6. Three members constitute a quorum of the Board. Quorum.

7. A vacancy in the membership of the Board does not impair the right of the remainder to act. Vacancy.

8. The Board may designate one of its members to be vice-chairman of the Board, who shall, in the event of the absence or incapacity of the chairman or if the office of chairman is vacant, act as chairman. Absence, etc., of chairman.

OBJECTS AND POWERS

9. (1) The objects of the Board are to inquire into and report to the Minister upon measures and projects for fostering the economic growth and development of the Atlantic region of Canada, and, without limiting the generality of the foregoing, the Board may, in furtherance of its objects. Objects and powers.

- (a) prepare on a systematic and comprehensive basis, and revise as required in the light of changing circumstances, an assessment of factors relevant to economic growth in the Atlantic region;
- (b) keep under constant review appropriate methods of furthering the sound economic development of the Atlantic region, whether such methods involve new measures and projects or the removal or mitigation of existing factors that may be considered to inhibit such development;
- (c) with respect to particular measures or projects that may be referred to it by the Minister, inquire into, assess and report to the Minister upon the feasibility of such measures or projects and the effect thereof in relation to the economy of the Atlantic region, and make recommendations to the Minister with respect to any such measures or projects that in the opinion of the Board would significantly contribute to the growth and development of the economy of the Atlantic region; and

(d) consider and report to the Minister upon any other matters that in the opinion of the Board may usefully be considered by it having regard to the need for a continuing sound economic development of the Atlantic region.

Duty of co-operation.

(2) The Board shall, to the greatest possible extent consistent with the performance of its duties under this Act, co-operate with the National Economic Development Board, the National Productivity Council and all departments, branches and other agencies of the Government of Canada having duties related to, or having aims or objects related to those of the Board.

Meetings.

10. The Board shall meet at such times and places as it deems necessary but shall meet at least once a year in the City of Ottawa.

Executive Director.

11. (1) The Governor in Council may appoint an Executive Director of the Board, who shall hold office during pleasure and shall be paid such salary and expenses as are fixed by the Governor in Council.

Direction of work and staff.

(2) The Executive Director is the chief executive officer of the Board and has supervision over and direction of the work and staff of the Board.

By-laws.

12. (1) The Board may, subject to the approval of the Governor in Council, make by-laws for the regulation of its proceedings and generally for the conduct of its activities, including the establishment of advisory and other committees of the Board.

Advisory committees.

(2) Any by-law made pursuant to subsection (1) establishing an advisory committee of the Board may provide for the membership thereon of persons other than members of the Board, in addition to members of the Board.

Appointment of staff.

13. (1) The Board may

- (a) appoint such officers and employees as are necessary for the proper conduct of the work of the Board; and*
- (b) prescribe the duties of such officers and employees and, subject to the approval of the Treasury Board, prescribe the conditions of their employment.*

Salaries and expenses of staff.

(2) The officers and employees of the Board appointed as provided in subsection (1) shall be paid such salaries and ex-

penses as are fixed by the Board with the approval of the Treasury Board.

14. The Board may engage on a temporary basis or for any period of not more than two years the services of persons having technical or specialized knowledge of any matter relating to the work of the Board, to advise and assist the Board in the performance of its duties under this Act, and with the approval of the Treasury Board may fix and pay the remuneration of such persons.

15. (1) The Executive Director and the officers and employees of the Board appointed as provided by subsection (1) of section 13 shall be deemed to be employed in the Public Service for the purposes of the *Public Service Superannuation Act*, and the Board shall be deemed to be a Public Service corporation for the purposes of section 23 of that Act.

(2) The *Government Employees Compensation Act* applies to the Executive Director and the officers and employees of the Board appointed as provided in subsection (1) of section 13 and, for the purposes of that Act, such persons shall be deemed to be employees in the service of Her Majesty.

16. The Board is not an agent of Her Majesty and, except as provided in section 15, the members, Executive Director and staff of the Board are not part of the public service.

FINANCIAL.

17. All amounts required for the payment of salaries and other expenses under this Act including expenses of administration shall be paid out of moneys appropriated by Parliament for the purpose.

AUDIT.

18. The accounts and financial transactions of the Board shall be audited annually by the Auditor General, and a report of the audit shall be made to the Board and the Minister.

REPORT TO PARLIAMENT.

19. The chairman of the Board shall, within three months after the termination of each fiscal year, transmit to the Minister a statement relating to the activities of the Board for that fiscal

year, including the financial statements of the Board and the Auditor General's report thereon, and the Minister shall cause such statement to be laid before Parliament within fifteen days after the receipt thereof or, if Parliament is not then sitting, on any of the first fifteen days next thereafter that Parliament is sitting.

12 ELIZABETH II.

CHAP. 5

An Act to amend the Atlantic Development Board Act.

[Assented to 31st July, 1963.]

HER Majesty, by and with the advice and consent of the Senate^{1962-63, c. 10.} and House of Commons of Canada, enacts as follows:

1. Section 2 of the *Atlantic Development Board Act* is amended by striking out the word "and" at the end of paragraph (b) thereof and by adding thereto, immediately after paragraph (b) thereof, the following paragraph:

"(ba) "Fund" means the Atlantic Development Fund established by section 16; and"

2. (1) Sections 3 and 4 of the said Act are repealed and the following substituted therefor:

3. (1) A corporation is hereby established to be known ^{Board established.} as the Atlantic Development Board, consisting of eleven members to be appointed by the Governor in Council as provided in section 4.

(2) The membership of the Board shall be constituted ^{Constitution of membership.} in such a manner as to reflect the economic structure of the Atlantic region.

4. (1) Each of the members of the Board shall be appointed ^{Appointment of members.} to hold office for a term of three years, except that of those first appointed four shall be appointed for a term of one year and four shall be appointed for a term of two years.

(2) The Governor in Council shall designate one of ^{Chairman.} the members to serve as chairman of the Board during pleasure.

(3) A person who has served two consecutive terms ^{Eligibility for re-appointment.} as a member of the Board is not, during the twelve month period following the completion of his second term, eligible for reappointment."

(2) A person who, at the coming into force of this Act, held office under the *Atlantic Development Board Act* as a

member of the Atlantic Development Board shall be deemed to have been appointed as a member of the Board under this Act

- (a) in the case of the person who at the coming into force of this Act held the office of chairman of the Board, for a term of two years, and
- (b) in any other case, for a term of one year.

(3) The term of each of the persons first appointed to the Atlantic Development Board after the coming into force of this Act and the term of each of the persons referred to in subsection (2) shall be calculated as if such term had commenced on the 24th day of January, 1963.

3. Section 6 of the said Act is repealed and the following substituted therefor:

Quorum.

“**6.** A majority of the members constitutes a quorum of the Board.”

4. The said Act is further amended by adding thereto, immediately after section 8 thereof, the following section:

**Board agent
of Her
Majesty.**

“**8A.** (1) The Board, is for all purposes of this Act, an agent of Her Majesty, and its powers under this Act may be exercised only as an agent of Her Majesty.

Contracts.

(2) Subject to the approval of the Governor in Council, the Board may, on behalf of Her Majesty, enter into contracts in the name of Her Majesty or in the name of the Board.

Property.

(3) Property acquired by the Board is the property of Her Majesty and title thereto may be vested in the name of Her Majesty or in the name of the Board.

Proceedings.

(4) Actions, suits or other legal proceedings in respect of any right or obligation acquired or incurred by the Board on behalf of Her Majesty, whether in its name or in the name of Her Majesty, may be brought or taken by or against the Board in the name of the Board in any court that would have jurisdiction if the Board were not an agent of Her Majesty.”

5. Section 9 of the said Act is repealed and the following substituted therefor:

**Objects and
powers.**

“**9.** (1) The objects of the Board are to inquire into and report to the Minister upon programs and projects for fostering the economic growth and development of the Atlantic

region of Canada, and to consider, report and make recommendations to the Minister concerning programs and projects not involving the use of the Fund and programs and projects involving the use of the Fund; and without limiting the generality of the foregoing, the Board may, in furtherance of its objects,

- (a) prepare, in consultation with the Economic Council of Canada, an overall co-ordinated plan for the promotion of the economic growth of the Atlantic region;
- (b) keep under constant review appropriate methods of furthering the sound economic development of the Atlantic region, whether such methods involve new programs and projects or the removal or mitigation of existing factors that may be considered to inhibit such development;
- (c) with respect to particular programs or projects that may be referred to it by the Minister or that the Board may on its own initiative investigate, inquire into, assess and report to the Minister upon the feasibility of such programs or projects and the effect thereof in relation to the economy of the Atlantic region, and make recommendations to the Minister with respect to any such programs or projects that, in the opinion of the Board, will contribute to the growth and development of the economy of the Atlantic region; and
- (d) with the approval of the Governor in Council, enter into agreements with
 - (i) the government of any province comprised in the Atlantic region or the appropriate agency thereof, or
 - (ii) any other person,

respecting the use of the Fund in financing or assisting in financing the undertaking and the carrying out of particular programs or projects described in subsection (1) of section 16.

(2) The Board shall, to the greatest possible extent Duty of co-operation. consistent with the performance of its duties under this Act, consult and co-operate with the Economic Council of Canada and all departments, branches and other agencies of the

Government of Canada having duties related to, or having aims or objects related to those of the Board."

6. Section 16 of the said Act is repealed and the following heading and section substituted therefor:

"ATLANTIC DEVELOPMENT FUND.

Payments
out of Con-
solidated
Revenue
Fund.

Atlantic
Development
Fund
established.

Approval of
programs or
projects.

Total of
amounts that
may be paid.

Appropria-
tions.

Coming into
force.

16. (1) Subject to subsection 4, the Minister of Finance may, on the recommendation of the Minister, pay to the Board out of the Consolidated Revenue Fund such amounts as are from time to time required by the Board for the purpose of financing or assisting in financing the undertaking and the carrying out of programs and projects that, in the opinion of the Board, will contribute to the growth and development of the economy of the Atlantic region and for which satisfactory financing arrangements are not otherwise available.

(2) There shall be a special account in the Consolidated Revenue Fund to be known as the Atlantic Development Fund, to which shall be credited all amounts paid by the Minister of Finance to the Board under subsection (1) and to which shall be charged all payments in respect of programs or projects described in that subsection.

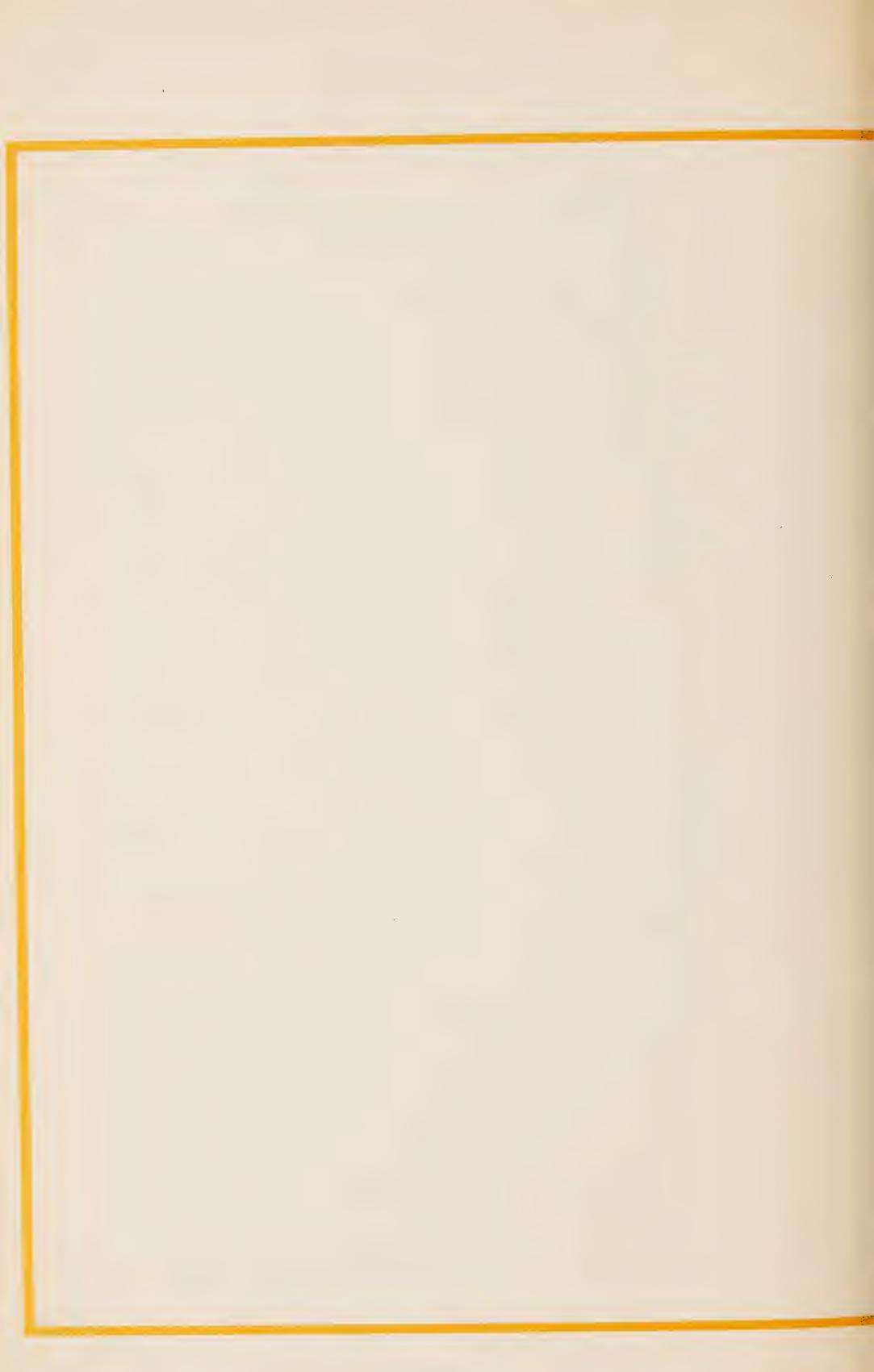
(3) No payments may be made by the Minister of Finance to the Board under subsection (1) except in respect of a program or project described in that subsection that has been approved by the Governor in Council.

(4) The total of all amounts that may be paid by the Minister of Finance to the Board under subsection (1) and credited to the Atlantic Development Fund is one hundred million dollars."

7. Section 17 of the said Act is repealed and the following substituted therefor:

"17. All expenditures under this Act including amounts required for the payment of salaries, technical and economic surveys and studies and other expenses including expenses of administration, except any amounts described in subsection (1) of section 16, shall be paid out of moneys appropriated by Parliament therefor."

8. This Act shall come into force on a day to be fixed by proclamation of the Governor in Council.



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ATLANTIC DEVELOPMENT BOARD



ANNUAL REPORT 1966-67

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ATLANTIC DEVELOPMENT BOARD

*Annual Report for the fiscal year
1966-67*

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CANADA

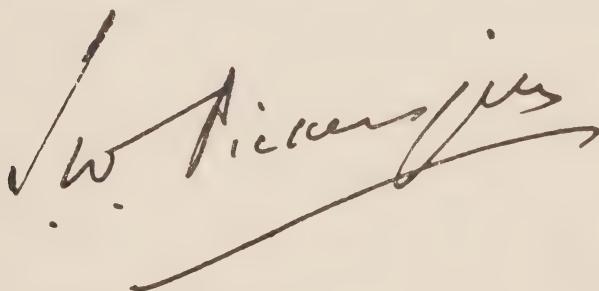
MINISTER OF TRANSPORT

TO HIS EXCELLENCY THE RIGHT HONOURABLE ROLAND MICHENER,
Governor General and Commander-in-Chief of Canada

MAY IT PLEASE YOUR EXCELLENCY:

I have the honour herewith, for the information of Your Excellency and the Parliament of Canada, to present the Annual Report of the Atlantic Development Board and the financial statements of the Board for the fiscal year 1966-67.

Respectfully submitted,



Minister of Transport.

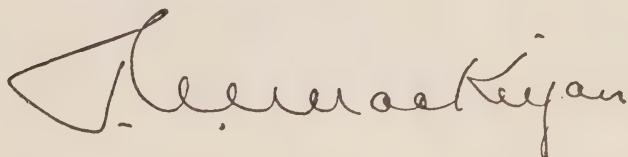
THE HONOURABLE J. W. PICKERSGILL, M.P.,
Minister of Transport,
Ottawa, Ont.

SIR:

I submit herewith the Annual Report of the Atlantic Development Board and the financial statements of the Board for the fiscal year 1966-67.

I have the honour to be, Sir,

Your obedient servant,

A handwritten signature in black ink, appearing to read "J. Lees Mackay".

Chairman.

TABLE OF CONTENTS

	PAGE
Introduction.....	9
Establishment of the Board.....	10
Organization of the Board.....	11
Principles of Operation.....	13
Broad Programs Instituted by the Board.....	14
Long Term Planning.....	16
Co-ordination.....	17
Board Programs and Projects	
Electric Power Development	
Mactaquac Hydro-Electric Power Project.....	18
Bay d'Espoir Hydro-Electric Power Project.....	18
Frequency Standardization in Newfoundland.....	19
Trenton Thermal Electric Power Generating Station.....	19
Prince Edward Island-New Brunswick Power Cable.....	20
Highway Development	
New Brunswick.....	21
Nova Scotia.....	21
Newfoundland.....	22
Prince Edward Island.....	22
Industrial Water Supplies	
(Mainly for Fish Processing Plants).....	23
Industrial Parks and Sites.....	24
Pollution Control.....	26
Capital Facilities for Applied Research.....	26
Maps—ADB Projects	
New Brunswick.....	27
Prince Edward Island.....	28

	PAGE
Nova Scotia.....	29
Newfoundland.....	30
Other Basic Services to Industry.....	31
Research Projects.....	32
 Appendix I	
Auditor General's Report.....	34
 Appendix II	
Atlantic Development Board Act.....	43
First Amendment to Atlantic Development Board Act 1963.....	48
Second Amendment to Atlantic Development Board Act 1966.....	52

ANNUAL REPORT 1966-1967

ATLANTIC DEVELOPMENT BOARD

INTRODUCTION

The nature and magnitude of the economic problems of the Atlantic region have been the subject of numerous studies over the years, and of frequent submissions to federal authorities and royal commissions. All of them indicate that compared with the rest of Canada the economy of the region has been characterized by significantly lower levels of per capita incomes, manpower utilization, productivity per worker, capital investment and public services. The most recent studies show that during the period 1961-1966, while the national economy was expanding rapidly, the rate of growth in the Atlantic region improved in relation to the rest of the country, but that there had been little if any narrowing of income disparity. In its Third Annual Review, the Economic Council of Canada concluded that "the growth of the economy at the national level provides a necessary and favourable environment, but it is not in itself sufficient to secure major improvements in regionally balanced economic development. This is clearly a long-term objective to be sought on the basis of deliberate, integrated public policy."

There has been a variety of responses from the federal government to the problem of regional imbalances in economic development. The most notable and sustained intervention at the federal level has been in the form of subsidization of transportation. In recent years, as the basis of regional inequalities has come to be better understood and delineated, more direct remedial measures have been adopted. Chief among these have been the Agricultural and Rural Development Agency (ARDA) of the Department of Forestry and Rural Development, and the Department of Industry's Area Development Agency (ADA).

The Atlantic Development Board is unique in that it is the only federal agency whose sole concern is the economy of the Atlantic region. As such, it reflects the government's recognition that the Atlantic region needs a special agency to supplement the efforts of other agencies and departments concerned with the problems of the region.

ESTABLISHMENT OF THE BOARD

The Atlantic Development Board was established by Act of Parliament in December 1962, the Act being amended in 1963 and in 1966. The first amendment established an Atlantic Development Fund of \$100 million, increased to \$150 million under the second amendment. The objects and powers of the Board are set out in sections 9 and 9A:

9. (1) The objects of the Board are to inquire into and report to the Minister upon programs and projects for fostering the economic growth and development of the Atlantic region of Canada, and to consider, report and make recommendations to the Minister concerning programs and projects not involving the use of the Fund and programs and projects involving the use of the Fund; and without limiting the generality of the foregoing, the Board may, in furtherance of its objects,

- (a) prepare, in consultation with the Economic Council of Canada, an overall co-ordinated plan for the promotion of the economic growth of the Atlantic region;
- (b) keep under constant review appropriate methods of furthering the sound economic development of the Atlantic region, whether such methods involve new programs and projects or the removal or mitigation of existing factors that may be considered to inhibit such development;
- (c) with respect to particular programs or projects that may be referred to it by the Minister or that the Board may on its own initiative investigate, inquire into, assess and report to the Minister upon the feasibility of such programs or projects and the effect thereof in relation to the economy of the Atlantic region, and make recommendations to the Minister with respect to any such programs or projects that, in the opinion of the Board, will contribute to the growth and development of the economy of the Atlantic region; and
- (d) enter into agreements with the government of any province comprised in the Atlantic region or the appropriate agency thereof, subject to approval thereof by the Governor in Council, or enter into agreements with any other person, providing for
 - (i) the undertaking by the Board of any programs or projects that, in the opinion of the Board, will contribute to the growth and development of the economy of the Atlantic region and for which satisfactory financing arrangements are not otherwise available;
 - (ii) the joint undertaking by the Board and the province or agency thereof or person of programs or projects described in subparagraph (i), or
 - (iii) the payment by the Board to the province or agency thereof or person of contributions in respect of the cost of programs or projects described in subparagraph (i).

(2) The Board shall, to the greatest possible extent consistent with the performance of its duties under this Act, consult and co-operate with the Economic Council of Canada and all departments, branches and other agencies of the Government of Canada having duties related to, or having aims or objects related to those of the Board.

9A. An agreement entered into pursuant to paragraph (d) of subsection (1) of section 9 shall, where appropriate, specify the respective proportions of the revenues from any program or project to which the agreement relates that are to be paid to the Board and the province or agency thereof or person.

ORGANIZATION OF THE BOARD

The Atlantic Development Board consists of 11 members appointed by the Governor in Council for terms which are laid down in Section 4 of the Act. Following is a list of the members of the Board, their addresses, the date of their initial appointment, and the expiration date of their term of office.

<i>Chairman</i>	<i>Address</i>	<i>Date of Initial Appointment</i>	<i>Date of Expiration of Term of Office</i>
Ian M. MacKeigan, QC	Halifax, N.S.	August 2, 1963	January 24, 1969
<i>Vice Chairman</i>			
Albert Martin	Corner Brook, Nfld.	August 2, 1963	January 24, 1969
<i>Members</i>			
Robert C. Eddy	Bathurst, N.B.	August 2, 1963	January 24, 1969
Captain Maxwell Burry	Glovertown, Nfld.	August 2, 1963	January 24, 1968
Carl F. Burke	Charlottetown, P.E.I.	August 2, 1963	January 24, 1968
Stephen Dolhanty	Glace Bay, N.S.	August 2, 1963	January 24, 1968
Neil R. MacLeod	Summerside, P.E.I.	December 15, 1965	January 24, 1968
Joseph A. Likely	Saint John, N.B.	January 31, 1967	January 31, 1970
Simon L. Bujold	Moncton, N.B.	January 31, 1967	January 31, 1970
C. Arnold Patterson	Dartmouth, N.S.	January 31, 1967	January 31, 1970
Calvert C. Pratt	St. John's, Nfld.	January 31, 1967	January 31, 1970

The staff of the Board, located in Ottawa, with offices at 396 Cooper Street, is directed by Dr. E. P. Weeks, Executive Director. The staff consists of a Program Division headed by Mr. F. J. Doucet, a Planning Division headed by Mr. David Levin and an Administrative Division headed by Mr. C. P. Russell, who is also Secretary of the Board. At March 31, 1967, the staff consisted of 27 professional and 29 supporting staff.

The Board meets every two or three months at some point in the Atlantic region, and once annually in Ottawa, to review all current aspects of the program, and to consider new projects which involve expenditure from the Atlantic Development Fund. The Board members of any given province, with the Chairman, constitute a provincial sub-committee of the Board. Board members, including the Chairman, are unpaid.

Four meetings of the Board were held during the fiscal year 1966-67: Charlottetown in July 1966; St. John's in October 1966; Ottawa in December 1966; and Fredericton in February 1967.

Each of the Atlantic Provinces has designated officers to maintain liaison with the Board. They are: Nova Scotia—Hon. W. S. K. Jones, Minister of Trade and Industry; New Brunswick—Hon. L. G. DesBrisay, Minister of Finance and Industry, and Mr. R. K. Fletcher, Director of Special Projects for the Department of Finance and Industry; Prince Edward Island—Hon. Cecil Miller, Minister of Industry, and Mr. John Mullally, Co-ordinator of Federal-Provincial Programs; Newfoundland—Hon. J. R. Smallwood, Premier and Minister of Economic Development, and Mr. Ian McAllister, Provincial Economist, Department of Economic Development.

PRINCIPLES OF OPERATION

The Board, having been established to provide special stimulus for the lagging economy of the Atlantic region, supplements the work of other federal agencies. The Board acts in co-operation with both federal and provincial agencies on either regional problems or particularly acute issues in individual provinces.

Close co-operation with other federal agencies is maintained through formal and informal contacts with officials of such bodies as the Economic Council of Canada, ARDA, ADA, the National Energy Board, and the Departments of Fisheries, Manpower, Public Works, and Energy, Mines and Resources. Particularly with the Planning Division, various federal agencies are involved in advisory committees and also in the carrying out of special studies on behalf of the Board.

In its daily operations, the Board makes extensive use of the experts and facilities of the Department of Public Works, both in the construction of works on behalf of the Board, and in the supervision of works which are carried out by a provincial government or its agencies with financial assistance from the Board. The staff of the Comptroller of the Treasury maintains the official financial records of the Board.

Co-operation with the provincial authorities is clearly necessary in all aspects of the Board's work. Although there is no formal procedure for bringing projects to the attention of the Board, the Board follows the practice of consulting the provincial government concerned before taking action on specific projects. Moreover, the provinces share in the cost of many of the Board's projects, and completed works are turned over to the provinces for operation, maintenance and assessment of user charges, where applicable. Provincial governments make their own arrangements with municipalities.

BROAD PROGRAMS INSTITUTED BY THE BOARD

During its first four years, the Board's activities have fallen generally under three main groups:

- (1) Projects and studies
- (2) Economic planning
- (3) Co-ordination

One of the obvious factors responsible for the continuing lag in the economic growth of the Atlantic region has been the inadequacy of the basic infrastructure essential for economic growth—power, transportation, water, serviced industrial land, facilities for research. This has been largely the result of inadequate financial resources on the part of the provinces and municipalities, but also the consequence of a dispersed population entailing high costs of servicing. The lack of adequate facilities is not only a deterrent to new industries; it can also retard the expansion of existing industries. If the essential services were to be improved, the Board would need to fill the gap by supplementing existing federal and provincial programs.

Consequently, during its first four years, the Board has concentrated upon infrastructure: making grants to the provinces for electric power development, sharing in the cost of building modern trunk highways, constructing industrial water systems, assisting in the development of industrial parks and sites, contributing to the cost of facilities for post-graduate and industrial research, providing other basic services to industry, and carrying out a variety of economic studies.

In keeping with its "gap-filling" role, however, the Board has always been prepared to consider projects for which the benefits to the region seemed to justify the investment. Inevitably this has led to the Board's adopting a varied, flexible approach, one which has been influenced by growing experience and by changing needs and circumstances. It became increasingly apparent that because each of the four provinces differed in needs and resources, the Board had to be prepared to adjust its projects and programs accordingly. This has meant in practice that a program suitable for one province would not necessarily be suitable for another.

Soon after its establishment, the Board concluded that adequate and reasonably priced supplies of power were essential for the expansion of the regional economy. The Board's contribution to power production and distribution facilities since its inception comes to more than \$60 million, over half the total commitments from the Atlantic Development Fund. Grants of \$20 million each are being made to the Mactaquac project in New Brunswick and the Bay d'Espoir project in Newfoundland. The Board is also

contributing \$4 million to assist Newfoundland in carrying out a program of frequency standardization to the North American 60-cycle basis. In Nova Scotia, the Board is paying \$12 million toward the cost of a major thermal power plant. The Board has agreed to pay the cost, estimated at \$5 million, of providing a power connection from Prince Edward Island to the mainland. These projects are considered to round out the first phase of the Board's power program.

The Board's transportation improvement program has consisted mainly of contributions to bring provincial trunk highways up to all-season, all-freight standards. In Newfoundland, where there is still a need for heavy expenditures for basic roads, the Board's program also includes highways of less than all-season standards. A total of \$10 million was granted from the Fund for highway development, and this grant was later increased by a special vote of \$30 million.

The program to improve water supplies for industry has centred mainly on fish processing plants. It was introduced in response to plant expansion and an emergency situation created for many plants in 1964 when new federal government regulations, respecting purity of water used to process fish for export, came into effect. About \$13 million has been committed for industrial water supplies, nearly \$12 million of which has been in connection with fish plants.

Aware of the vital importance of adequate supplies of good quality water for industry, the Board created a fund of \$2 million for payments to existing industries reducing fresh water pollution from plant wastes.

Aid to nine industrial parks has involved the Board in commitments of \$6 million. Much of the growth of secondary industry in the region is taking place in those towns and cities where the parks are located. The Board is also assisting in the provision of basic facilities for resource-processing industries at three New Brunswick centres.

The Board considered there was a need for additional industrial research to encourage development of the region and to train the required scientists and other experts. Accordingly, the Board has made commitments of more than \$7 million for research facilities.

Various studies have been made relative to short-term needs of the Board for information on which to base immediate program decisions; other studies are being made to implement one of the Board's major objectives: preparation of "an overall co-ordinated plan for the promotion of the economic growth of the Atlantic region."

LONG TERM PLANNING

The Board's planning activities represent the federal government's first systematic effort in comprehensive regional planning. The basic aims of this activity are to identify the potential of each sector of the regional economy; to formulate policy recommendations for achieving this potential; to integrate the various sector studies into a single comprehensive and internally consistent plan for the regional economy; and to indicate the implications of the plan for employment, income and population. To tie the sector studies together, an input-output model of the regional economy will be used to show the inter-relationships between the various sectors, indicating how developments in any one sector may be expected to influence activity in any other sector. In addition to containing a comprehensive set of mutually consistent policy proposals for the region as a whole, the plan will lend itself to formulation of separate plans for each of the four Atlantic Provinces, prepared after detailed discussions with provincial officials.

The plan will serve as a guideline for the Board in making its recommendations on development projects. It will also provide a framework which will be of assistance to other federal agencies and provincial authorities in formulating their long-term development policies and the priorities to be attached to specific programs. The private sector, too, should find the plan of help by identifying areas for new investment. The Board has underway some 20 separate studies in the preparation of its plan. Some of these are being carried out by Board staff, some by other federal departments and agencies, and others by private consultants. A great deal of research has already been done on the Atlantic economy, and this will be used by the Board, but many gaps exist and the findings have not been fitted into a framework for development.

By early summer of 1967, several of the sector studies should be completed. These will then be analysed and the projections of output, employment, investment, etc. prepared for processing through the input-output model. By the end of 1967 the first approximation of a development plan should be completed, providing a picture of the shape and character of the economy at its potential level of operation.

CO-ORDINATION

The Board increasingly has been called upon to act as a co-ordinating agency in matters of concern to the four Atlantic Provinces individually, or to the region as a whole. These co-ordinating functions have been taken on not so much as a responsibility assigned by legislation, but more because of the Board's unique interest in the Atlantic regional economy.

The Board's co-ordinating activities are related to problems of both a regional and local nature involving the co-operation of several federal, provincial and municipal agencies, as well as semi-public and private bodies. For example, after being directed to organize the negotiations for the Saint John Harbour Bridge, the Board was able to expedite action by the various government agencies interested in the project. In Cape Breton the Board undertook studies relating to the assessment of the facilities required for redeveloping the economy of the industrial area. As a result of these studies, the Board was asked to co-ordinate activities of several federal, provincial, municipal and private bodies involved in the development of an industrial park at Point Edward. At Bell Island, where the problems associated with the closing down of the iron ore mines are sociological, as well as economic and technical, the Board staff was directed by the federal government to co-ordinate the activities of the various agencies likely to be involved. The Board's program of assistance in the abatement of industrial water pollution has provided a focal point for the bringing together of the various agencies concerned with this major regional problem.

The preparation of the economic development plan inevitably has meant close working arrangements between federal and provincial officials, thus laying a good foundation for longer term co-operation in the implementation of the plan.

BOARD PROGRAMS AND PROJECTS

Electric Power Development

Mactaquac Hydro-Electric Power Project

The Board's \$20 million grant, approved in 1964, enabled the New Brunswick Electric Power Commission to raise capital at rates more favourable than otherwise would have been possible, and to proceed immediately with construction of a large-scale project. The grant will have the effect of significantly reducing power rates, thereby making the province more attractive to power intensive industries.

Located on the Saint John River, 14 miles above Fredericton, the \$120 million Mactaquac project is the largest engineering work ever undertaken in New Brunswick. With the installation by 1976 of six turbines, Mactaquac's generating capacity will be 600,000 kilowatts. The spillway-gates of the dam are to close in the fall of 1967, with production of one turbine scheduled to begin in December. Two other units, each of 100,000 kilowatt capacity, will be installed and operating in 1968.

The New Brunswick Electric Power Commission is responsible for construction of the project, the distribution and sale of power, and the installation of fish lifts and fish hatchery capacity. Creation of the 59-mile long reservoir necessitates the relocation of several hundred residents of the river valley, but also provides opportunity for planned development of the industrial, residential and recreational potential of the new shoreline. These aspects of the Mactaquac project are being undertaken by ARDA in co-operation with provincial government authorities.

Bay d'Espoir Hydro-Electric Power Project

As with Mactaquac, the Board's \$20 million grant to the development of Bay d'Espoir enabled the Newfoundland and Labrador Power Commission to obtain favourable financing, have power available at reasonably low rates, and make an early start on a large-scale project. The estimated cost of the first stage, including transmission grid, is \$88 million. The second stage will cost about \$79 million, including \$17 million for extension of the transmission grid, bringing total cost of the project to about \$167 million.

Utilizing the waters of the Salmon and Grey rivers, on the south coast of the Island of Newfoundland, the first stage of the project, providing 300,000 horsepower (225,000 kilowatts), was scheduled for completion in September, 1967. However, two units of 100,000 horsepower each began generating power in the spring of 1967.

Early in 1966 the projected load growth of the province indicated that it would be necessary to proceed sooner than expected with the second stage of the project, the diversion of the watersheds of the Upper Lloyds River, Victoria Lake and the White Bear River eastward into the Salmon and Grey watershed. These watersheds will double the capacity of the plant at Bay d'Espoir from 300,000 horsepower to 600,000 horsepower and require an extension of the powerhouse to house three additional 100,000 horsepower turbines scheduled for completion in late 1968 and early 1969. Also planned for the second stage are extensions to the Island-wide transmission grid.

In all, Bay d'Espoir will more than double Newfoundland's generating capacity. Prior to the first two units coming on stream, the Island had been so short of power that industrial expansion—particularly resource-based expansion—was virtually at a standstill, and some industries had been forced to curtail production. Bay d'Espoir also alters domestic conditions for much of the province's population, which had suffered from a power shortage so acute as to preclude use of modern electrical appliances in some areas. The three private power systems, which had operated independently, without interconnecting transmission lines, have been succeeded by a province-wide grid.

Frequency Standardization in Newfoundland

About 70 per cent of Newfoundland's electric power load had been generated at 50 cycles per second, instead of the standard North American frequency of 60 cycles per second. In order to avoid the continuing inefficiency of two power transmission systems, the provincial government has standardized the system on 60 cycles, and installed three frequency converters to provide the 50 cycle power needed for certain equipment in the province's pulp mills. The decision to standardize was particularly important because 60 cycle power from Bay d'Espoir is being fed throughout the province by an interconnecting transmission system.

The Board made a grant of \$4 million toward purchase and installation of the frequency converters, about one-third of the total cost of the conversion program.

Trenton Thermal Electric Power Generating Station

Since significant hydro developments were not possible in Nova Scotia, it was considered desirable to assist the province in the construction of a large-scale thermal plant, which would not only meet the needs of the normal growth in power demand, but provide a surplus to attract new industry. After studies and discussions with the Nova Scotia Power Commis-

sion and the National Energy Board to determine the most suitable size and site, the Board approved a grant of \$12 million toward the cost of a \$24 million thermal station with a capacity of 150,000 kilowatts. The Board's contribution will enable the Commission to take advantage of a larger scale development than would otherwise have been possible, thereby reducing power costs. By building the plant at Trenton adjacent to an existing NSPC generating station, long-term savings in operating costs will also be effected. This will be the largest thermal unit in the Atlantic region, using up to 400,000 tons of coal annually, mainly from Cape Breton.

Prince Edward Island-New Brunswick Power Cable

Prior to the federal government's decision to build a causeway complex to Prince Edward Island, the Board commissioned special studies which indicated that the most satisfactory long-term arrangement to improve power supplies and power rates in the province would be by means of a submarine cable connection between the Island and the Maritime Power Pool. With the announcement that a causeway-tunnel-bridge would be constructed across Northumberland Strait, the Board decided that the interprovincial power connections should be carried over this structure, and that it would bear the entire cost, estimated at \$5 million.

In the meantime, Nova Scotia and New Brunswick have strengthened their power interconnections, and Prince Edward Island has become a full member of the Pool. Thus the benefits of lower cost power in one province will be spread throughout the regional system by means of power exchange and pooling arrangements.

Highway Development

From its inception the Board has been concerned about the transportation problems of the Atlantic region. As well as undertaking detailed investigations into problems of grain handling, container shipping and the effect on Atlantic ports of winter navigation on the St. Lawrence, the Board has co-operated with the Department of Transport in the Atlantic Provinces Integrated Transportation Study, which is discussed in a later section of this report. However, regardless of the detailed findings and recommendations of this study, it was obvious that the lack of an adequate system of all-weather highways was a major obstacle to the economic development of the region.

In 1964 a commitment of \$10 million was made from the Atlantic Development Fund: \$1 million to Prince Edward Island and \$3 million to each of New Brunswick, Nova Scotia and Newfoundland. The Board provided 50 per cent or 75 per cent of the cost of improving selected roads,

excluding right-of-way. In the 1965-66 fiscal year, Parliament voted to the Board an additional \$30 million (which did not involve the Atlantic Development Fund) to assist the provinces in trunk highway improvement on a 50-50 cost-share basis, again excluding right-of-way. This was divided among the provinces on the basis of \$3 million to Prince Edward Island and \$9 million to each of the other Atlantic Provinces.

The highways which make up the program have been agreed upon between the Board and the province concerned, the roads being chosen for their importance in the development of the regional economy. In the three Maritime Provinces, particular emphasis was placed on bringing trunk roads up to all-weather standards. In Newfoundland, there is still a need for heavy expenditures on basic roads to open up or improve transportation between centres of population, or to provide access to resource development areas.

New Brunswick

Under the first highway agreement, now completed, 22 contracts for road construction and six contracts for bridge building were awarded, the Board contributing 75 per cent of the cost and the Province 25 per cent. The largest contribution by the Board, \$620,176, went toward construction of a bridge over the Miramichi River at Chatham.

Work on highways included in the second agreement is underway, with payments by the Board, at the end of fiscal 1966-67, amounting to about one-fifth of the total \$9 million commitment. Roads included in the second agreement, together with the Board's share, are: Saint John to Sussex—\$2,500,000; Saint John Throughway—\$2,500,000; Lancaster to Spruce Lake—\$325,000; Digdequash River to Lepreau—\$2,375,000; Port Elgin to Dupuis Corner—\$1,000,000; Acadiaville to Richibucto—\$300,000.

Nova Scotia

The first highway agreement, about half completed at March 31, 1967, is being shared 50-50 with the Province. Roads included in it, together with the Board's share: Bedford to Cobequid—\$205,000; Cobequid Intersection to Upper Sackville—\$880,000; Tantallon to Hubbards—\$1,915,000.

About 30 per cent of the Board's commitment under the second agreement had been paid by the end of the fiscal year. Roads included in this agreement, together with the Board's share: Sydney Bypass—\$1,850,000; Brookfield Connector—\$2,150,000; Enfield to Shubenacadie—\$1,250,000; Tantallon to Prospect—\$1,250,000; Kentville to Wolfville—\$1,500,000; Avonport Diversion to Falmouth—\$1,000,000.

Newfoundland

The first agreement, now completed, included the following roads, on a 50-50 share basis: Burin to Marystown—\$300,000; Trinity South to Whitbourne—\$500,000; Valleyfield to Wesleyville—\$300,000; Wiltondale to Rocky Harbour—\$500,000; Brigus Bay to Canada Bay—\$400,000; Baie Verte Peninsula—\$250,000; Harbour Breton to Bay d'Espoir—\$450,000; North Harbour to Branch—\$300,000.

The Board has paid out more than half of its \$9 million commitment under the second agreement. Roads being constructed, together with the Board's share: Burin to Marystown—\$450,000; Trinity South—\$190,000; Bonavista-North Valleyfield-Wesleyville—\$75,000; Rocky Harbour to Ste. Barbe Peninsula—\$225,000; Baie Verte Peninsula—\$150,000; Harbour Breton to Bay d'Espoir—\$135,000; North Harbour to Branch—\$250,000; completion Bay d'Espoir Road—\$3,200,000; Port Aux Basque to Burnt Island—\$1,200,000; completion Wiltondale to Rocky Harbour—\$700,000; Clareville, Georges Brook, Lethbridge, Southern Bay—\$650,000; Ferry Terminal to Twillingate—\$500,000; Gander River Bridge to Gander Bay—\$350,000; Goose River Bridge—\$300,000; Bay Bulls to Trepassey—\$250,000; Lawn to Grand Bank—\$250,000; Holyrood Pond Bridge—\$125,000.

Prince Edward Island

Prince Edward Island's \$1 million share of the first program was allotted to the Albany-Miscouche highway on a 75-25 share basis. All of this money has been spent.

About one-fifth of the \$3 million commitment under the second agreement has been paid. Included in this program are: Albany to Miscouche—\$83,000; Miscouche to Bloomfield—\$1,000,000; Cherry Valley-Georgetown-Montague—\$1,000,000; Travellers Rest to Kensington—\$150,000; St. Peter's—\$240,000; Morrell Bridge—\$80,000; Malpeque Road—\$180,000; Cardigan—\$67,000; Summerside West—\$50,000; Bedeque Road at Country Lane—\$150,000.

In addition to the two trunk highway programs, the Board agreed to pay 90 per cent of the cost, up to a total of \$675,000, of paving access roads to selected fishing points in Prince Edward Island. This commitment was made because of special conditions on the Island. Unsurfaced roads become almost impassable during spring break-up. The lobster season opens in early May, and movement of gear to boats, and lobster from boats, becomes extremely difficult. The season is short, but the catch valuable and it is imperative that no fishing time be lost. The same problem exists for Irish Moss harvesters, oyster fishermen and others.

Industrial Water Supplies

(Mainly for Fish Processing Plants)

The Board is playing a major role in the expansion and modernization of the fishing industry in the Atlantic region, making commitments of nearly \$12 million to provide water systems for fish processing plants. Both in terms of numbers and costs, more than half of the commitments are in Newfoundland.

In 1964, with the introduction of new regulations under the Fisheries Inspection Act requiring a higher standard of purity for water used to process fish for export, many plants in the region were faced with a serious situation, due to the inadequacy of supply of suitable water. Failure to comply with the new regulations could have meant closure of the plants. At the same time, many fish companies, European and American as well as Canadian, were making plans to locate new plants in the region and to expand existing ones.

The Board, therefore, undertook to provide new water systems to the plants whose needs were most critical and to carry out surveys to determine the requirements of all the major plants and how these might best be met.

The costs of permanent water supplies of this kind are heavy and are usually beyond the financial capacities of both the fish company and the small communities in which the plants are located. The Board's policy has been to pay for the total cost of the water systems; in a few cases, where the economic benefits from an existing fish plant are not expected to cover the annual cost of interest, amortization, maintenance and operation of the water system, the Board has requested a financial contribution from the province. The completed facilities are turned over to the province to maintain and operate, with the province collecting reasonable user charges.

The systems are designed with sufficient capacity to serve existing needs of the fish plant and permit expansion in the future; where technically feasible, capacity is also provided to enable the community to tie in at its own expense. In this way, communities such as Bonavista, Nfld., and Canso, N.S., unable to afford the major capital expense of developing a water system on their own, have tapped the system serving the fish plant and installed their first municipal water utilities.

Not all the systems being provided by the Board supply fresh water. At Shippegan, N.B., both fresh and salt water systems have been constructed, salt water being as useful as fresh for fluming fish; at Lockeport, N.S., a salt water supply only is being provided. Nor is the Board's policy restricted

to the provision of water systems for fish plants: at Montague, P.E.I., for example, the Board provided wells for a plant processing agricultural products.

Besides maintaining employment and output by enabling companies to comply with the new fisheries regulations, the Board's policy, along with expenditures by other government agencies, is encouraging plants to modernize and expand their facilities, acquire trawlers and shift from the inshore to the offshore fishery. It is also helping to attract new plants to the region. In Marystow, Nfld., a new \$7 million fresh and frozen fish processing plant, based on the offshore fishery and the use of large trawlers, and supplied with a fresh water system by the Board, is expected to provide a major stimulus to the economy of the Burin Peninsula.

The water systems are assisting the Atlantic region to enter herring reduction in a significant way, a segment of the fisheries which has grown rapidly in recent years in other parts of the world. To date, water systems have been provided to serve herring reduction plants in Nova Scotia at Lower East Pubnico and Middle East Pubnico. Seiners will supply most of their herring requirements, but some fish will be obtained from local fishermen.

Most of the water systems are in various stages of construction, but those at Bonavista, Lower East Pubnico, Shippegan, Canso, Georgetown, P.E.I., Grand Etang, Cheticamp, N.S., and Newtown, Nfld., are completed or nearly completed.

Modernization of existing plants, construction of new plants and greater offshore operations are enabling the groundfish industry in the Atlantic region to improve its competitive position, particularly in relation to the fleets of foreign countries which fish in the North Atlantic.

Industrial Parks and Sites

Properly serviced industrial land in suitable locations is considered by the Board to be essential in attracting new industry to the region. The development of industrial areas serviced with power, water and sewage facilities, road and rail access, requires large capital outlays in advance of the establishment of new industries. Consequently, municipalities may wait a long time before recovering capital costs through lease or sale of such lands, or from improved tax revenue. Moreover, most municipalities find it extremely difficult to finance the initial phase of the development of an industrial park. In some cases, even with Board assistance, municipalities are still forced to borrow money from the provincial governments to finance their share of the cost of a park.

Recognizing that industrial parks and sites are a fundamental part of the region's infrastructure, the Board has committed about \$6,500,000 for these developments. Centres selected for parks and sites have been chosen in consultation with the provinces to ensure that they conform with provincial development plans, and after individual studies, where appropriate.

The Board has followed the policy of requiring municipal and/or provincial participation in these projects. The Board also believes that it is desirable to preserve flexibility in the degree and method of sharing in the financing of individual parks. In metropolitan areas, such as Halifax, Dartmouth, Saint John and Moncton, there is a need for development of general purpose, speculative industrial parks expected to attract a number of varied industries over a period of years. The Board has normally granted one-third of the total cost of developing parks of this type. Greater assistance has been given in areas where the costs would be peculiarly burdensome to the park authority, as at Amherst. At Point Edward, in industrial Cape Breton, the park is federally owned and the Board has financed the first phase of development.

There are other cases, usually in rather small communities, where industrial development is based on the processing of a local resource, a situation somewhat similar to that met in areas dependent upon fish processing plants. The Board has considered that in suitable cases it should finance the larger part of the cost of basic services to these resource-processing industries. This was done at Milltown, Woodstock and Hartland in New Brunswick.

The Board's practice is that all assistance is covered by a formal agreement with the provincial government. In some cases, the facilities are owned and operated directly by a provincial agency, such as Industrial Estates Ltd. in Nova Scotia or the New Brunswick Development Corp. In others, the facilities are owned and operated by a municipality or a municipal industrial commission. The provincial government accepts the responsibility for ensuring that the parks are maintained and operated in the best interests of the people of the province.

The Board has committed assistance in the following centres: Saint John, N.B.—\$450,000; Moncton, N.B.—\$400,000; Dorchester Point, N.B.—\$1,500,000; Milltown, N.B.—\$100,000; Woodstock, N.B.—\$275,000; Hartland, N.B.—\$125,000; Amherst, N.S.—\$350,000; Truro, N.S.—\$200,000; Halifax County, N.S.—\$560,000; Stellarton, N.S.—\$700,000; Point Edward, N.S.—\$1,620,000; Summerside, P.E.I.—\$118,000.

Pollution Control

The Board has been particularly concerned with the problem of industrial pollution from existing plants and its detrimental effect on the economic development of the region. In 1965, the Board received approval for an amount of \$2 million for assistance to existing firms in the Atlantic region for the abatement of industrial water pollution on fresh water stretches of Atlantic rivers. The amount of assistance to an individual firm is based on a formula worked out by the Atlantic Regional Advisory Committee on Industrial Water Pollution, whereby the payment is related to the abatement of biochemical oxygen demand (B.O.D.) of plant effluent. Membership on the committee includes a representative from each provincial Water Authority, the Atlantic Development Board and the federal Departments of Fisheries, National Health and Welfare, and Energy, Mines and Resources.

The Board in 1965 also provided pollution-testing equipment and arranged for National Health and Welfare to carry out pollution surveys on selected Atlantic rivers to determine the extent, type and sources of pollution. These surveys largely have been completed, and the first payment from the pollution abatement fund was made in February, 1967, to a New Brunswick meat packing firm.

The most serious pollution problems in the Atlantic region are the Saint John River in New Brunswick, the Annapolis and Cornwallis rivers in Nova Scotia and various water bodies in Prince Edward Island and Newfoundland.

Capital Facilities for Applied Research

One of the handicaps to economic development in the Atlantic region is the lack of facilities and personnel to undertake industrial research to keep products and techniques abreast of technological change. Only the largest firms are able to finance their own research facilities; smaller companies must purchase these services or go without. The need for increased industrial research is a national problem, but it is more serious in the Atlantic region where firms are relatively small and the provincial governments lack the funds to finance research councils on an adequate scale.

After consultation with the provincial governments and the relevant federal agencies, the Board concluded that support to the Nova Scotia Research Foundation and the New Brunswick Research and Productivity Council, the only provincial research organizations in the region, was the most practical way to provide these services to industry. To avoid unnecessary duplication of facilities or services, and to ensure wise expenditures of funds, detailed discussions were held with the two organizations and the interested federal agencies. It was agreed that the facilities would be used for research on problems in all four Atlantic Provinces.



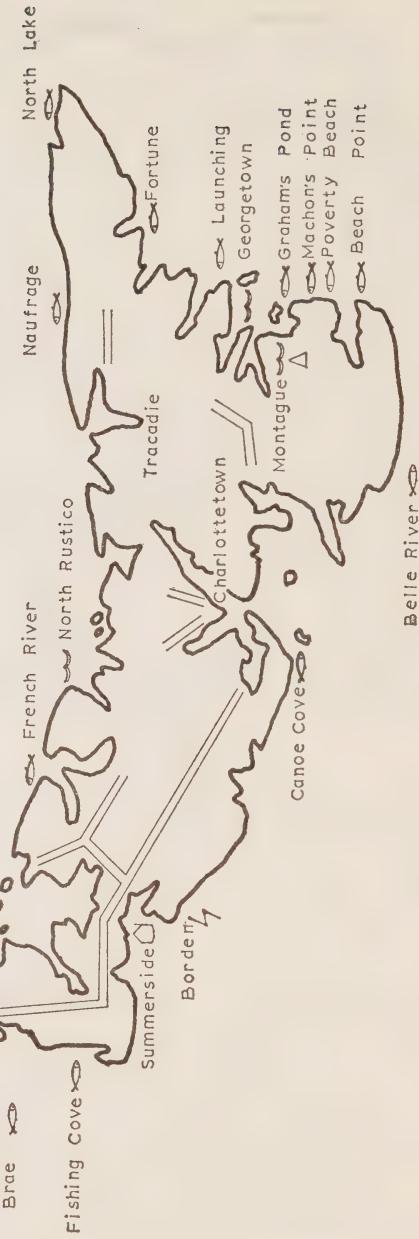
ADB PROJECTS NEW BRUNSWICK

Power Developments	
Highway Projects	
Industrial Water Supplies	
Industrial Parks and Sites	
Research Buildings and Equipment	
Other Basic Services to Industry	

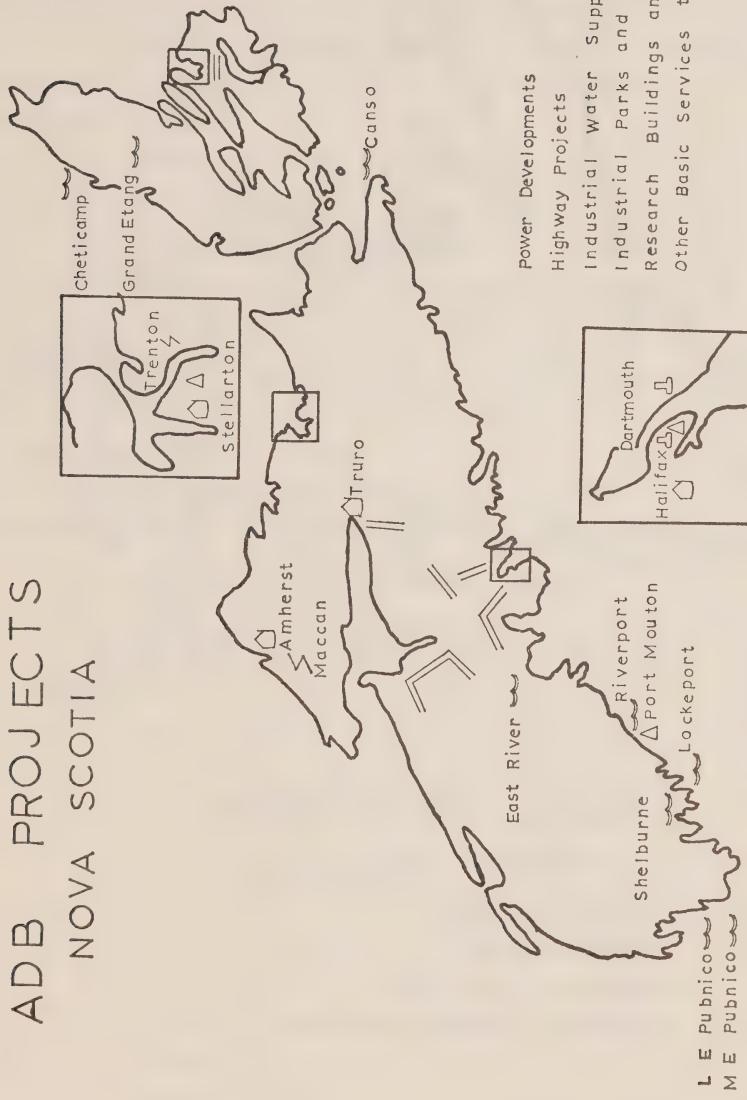
ADB PROJECTS PRINCE EDWARD ISLAND

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- Power Developments
- Highway Projects
- Industrial Water Supplies
- Industrial Parks and Sites
- Roads To Fishing Centres
- Other Basic Services to Industry



ADB PROJECTS NOVA SCOTIA



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ADB PROJECTS NEWFOUNDLAND

Power Developments



Highway Projects



Industrial Water Supplies



Other Basic Services to Industry



A grant of \$1,750,000 was approved for the Nova Scotia Research Foundation toward the cost of buildings and equipment. Three buildings are being constructed, the largest a laboratory which will also serve as the headquarters of the Foundation at Dartmouth, the other two being located on the campus of the Nova Scotia Technical College at Halifax.

The New Brunswick Research and Productivity Council is receiving a grant of more than \$1,500,000 for a laboratory building and equipment located on the University of New Brunswick campus at Fredericton. The Board is also providing \$50,000 to equip a geochemical laboratory being established by the provincial Department of Natural Resources in conjunction with the Productivity Council.

Another regional shortcoming is the lack of highly trained personnel required both by the provincial research organizations and by industry. Accordingly, after lengthy discussions with provincial and academic authorities, the National Research Council and the Economic Council of Canada, the Board decided to contribute to the improvement and extension of the post-graduate research facilities at the University of New Brunswick and Dalhousie University in Halifax. Approval in principle has been given for grants of \$1,500,000 to UNB for work in the natural and social sciences, and \$2 million to Dalhousie towards the provision of an aquatron to study the marine and biological sciences.

The Board's total commitment for research facilities for both provincial agencies and the two universities is about \$7 million.

Other Basic Services to Industry

Although the great majority of the Board's projects fall under the six headings, Electric Power Development, Highway Development, Industrial Water Supplies, Pollution Control, Industrial Parks and Sites, and Capital Facilities for Applied Research, a few projects which involve the provision of basic services to industry cannot be easily classified. However, these projects do share at least one common characteristic: all relate to a particular local need for which there are few, if any, parallels elsewhere in the region.

At Halifax, the Board is contributing \$64,000 for an underground conveyor system to be used by a new flour mill. To free capital for use in the steel plant at Sydney, the Board, in co-operation with the provincial government has earmarked \$2 million toward the \$4 million cost of bulk handling facilities for Dosco's use. Appropriate user charges will be applied. When unforeseen expenses were encountered in establishing sophisticated manufacturing industries at Stellarton, the Board was authorized to provide \$1,200,000 in special assistance.

At Montague, P.E.I., the Board spent \$40,000 for a short causeway providing access to a food processing plant.

The sum of \$825,000 has been committed by the Board for ship repair facilities in connection with a federal marine haulout at Marystowm, on the south coast of Newfoundland. However, the Board is not contributing to the new shipyard which the Province decided to build. Repairs to a marine railway at St. Anthony have involved the Board to a commitment of \$60,000.

Research Projects

The Board, whenever possible, utilizes the results of the research conducted by other government agencies, both federal and provincial. Where no government agency is in a position to carry out a project on behalf of the Board, it contracts with a research organization to have the job done. Generally, the Board's research projects are of two types: first, those which are carried out for a specific purpose and to meet an immediate need, such as an engineering study on the water supply for a fish plant; second, those which examine a sector or one aspect of the provincial or regional economy in order to develop long-range policies, the comprehensive study being made of the tourist industry of New Brunswick, Nova Scotia and Newfoundland being an outstanding example.

Another example of the latter type is the Atlantic Provinces Integrated Transportation Study. Early in its work, the Board financed a number of studies into specific problems of transportation in the region. However, it soon became apparent that what was needed was an integrated study of the region as a whole, including an examination of the Maritime Freight Rates Act. At about the same time, the Department of Transport was concerned with the problems of implementing certain recommendations of the MacPherson Royal Commission on Transportation. It was agreed that a single study be undertaken to meet the purposes of both agencies. The \$300,000 project was financed by the Department of Transport, but both the Board and the Department drew up the terms of reference and Board staff did the major job of co-ordination and supervision. The consultants' 12-volume report was received early in February, 1967. It contains far-reaching recommendations concerning both internal transport requirements and the most efficient ways to link the region with the rest of Canada and the world.

The Board's investigations into foundation conditions in the Shepody Bay-Cumberland Basin and Minas Basin areas have provided valuable background for the Atlantic Tidal Power Programming Board which is now

undertaking a complete investigation of the engineering and economic feasibility of developing tidal power in the Bay of Fundy. Dr. Weeks, the Board's Executive Director, is a member of this Board.

Altogether, the Board has commissioned about one hundred studies, ranging in value from a \$1,500 study of salt water lines for fish plants at Grand Etang and Cheticamp, N.S., to a \$300,000 exploration program of potash deposits in northern Nova Scotia.

Appendix I

AUDITOR GENERAL'S REPORT

Ottawa, June 20, 1967

To: ATLANTIC DEVELOPMENT BOARD
THE MINISTER OF TRANSPORT

I have examined the financial transactions of the Atlantic Development Board for the year ended March 31, 1967 in accordance with section 18 of the Atlantic Development Board Act.

The following statements are attached showing the projects approved and funds disbursed by the Board as at March 31, 1967 and the expenses of the Board for the year ended on that date:

Statement of Atlantic Development Fund Transactions showing Projects Approved and Funds Disbursed as at March 31, 1967

—STATEMENT I

Statement of Expenditures under the Trunk Highway Program as at March 31, 1967

—STATEMENT II

Statement of Administrative Expenses and Expenditures on Technical and Economic Surveys and Studies for the year ended March 31, 1967

—STATEMENT III

The Atlantic Development Board is authorized by the Atlantic Development Board Act, 1962-63, c. 10, as amended, to enter into agreements with any of the four Atlantic Provinces, subject to the approval of the Governor in Council, or enter into agreements with any other person respecting the use of the Atlantic Development Fund in financing or assisting in financing, to a maximum of \$150 million, projects that will contribute to the growth and development of the economy of the Atlantic region and for which satisfactory financing arrangements are not otherwise available. As indicated by Statement I, the projects approved to March 31, 1967 amounted to \$98,714,237 against which disbursements totalling \$54,068,658 have been made, leaving outstanding commitments of \$44,645,579.

The Board has also entered into agreements with each of the four Atlantic Provinces for a trunk highway program, begun in 1965-66, whereby the federal government has agreed to finance 50 per cent, but not exceeding in the aggregate \$30 million, of the construction costs of the program. This

amount has been allocated to each of the four Atlantic Provinces as shown in Statement II. Expenditures to date total \$10,652,259, leaving an undisbursed balance of \$19,347,741.

As shown by Statement III, costs of administration and operation totalled \$1,866,979 of which \$1,825,479 was charged to appropriation of the Department of Transport, in respect to administrative expenses and expenditures on technical and economic surveys and studies. The remaining \$41,500 represents the estimated cost of services provided by other government departments.

In my opinion the three statements referred to above present fairly a summary of the financial transactions of the Board for the year ended March 31, 1967.

A. M. HENDERSON,
Auditor General of Canada

Statement I

ATLANTIC DEVELOPMENT BOARD

**Statement of Atlantic Development Fund Transactions
showing Projects Approved and Funds Disbursed
as at March 31, 1967**

	<i>Projects Approved</i>	<i>Funds Disbursed</i>	<i>Outstanding Commitments</i>
Power			
Bay d'Espoir, Nfld.—Hydro-electric power development	\$20,000,000	\$19,000,000	\$1,000,000
Mactaquac, N.B.—Hydro-electric power development	20,000,000	16,980,878	3,019,122
Nova Scotia Power Commission—Thermal power plant at Trenton	12,000,000	—	12,000,000
Power cable to link Prince Edward Island with mainland	4,300,000	25,000	4,275,000
Newfoundland and Labrador Power Commission—Conversion to 60 cycles.....	4,000,000	3,055,164	944,836
Maccan to Amherst, N.S.—Grant towards cost of power line	112,800	—	112,800
	60,412,800	39,061,042	21,351,758
Transportation			
Financial assistance for trunk highway systems:			
Province of New Brunswick	3,000,000	3,000,000	—
Province of Newfoundland	3,000,000	3,000,000	—
Province of Nova Scotia	3,000,000	1,362,762	1,637,238
Province of Prince Edward Island	1,000,000	1,000,000	—
Financial assistance for paving access roads to selected fishing ports:			
Province of Prince Edward Island	675,000	410,817	264,183
	10,675,000	8,773,579	1,901,421
Other basic services to industry			
Water supply and/or sewage systems, etc:			
Fortune, Harbour Grace, Port Union, Fermeuse and Isle aux Morts, Nfld.	2,326,000	106,335	2,219,665
Trepassey, Bay de Verde, Burgeo, Gaultois, St. Anthony, Englee and Twillingate, Nfld.	2,247,000	73,761	2,173,239
Mooring Cove, Nfld.	1,112,117	62,896	1,049,221
Georgetown, P.E.I.	850,000	749,686	100,314
Alder Point, N.S.	833,000	9,046	823,954
Shelburne, N.S.	802,000	11,319	790,681
Canso, N.S.	775,420	679,052	96,368

Statement I (cont'd)

ATLANTIC DEVELOPMENT BOARD

	<i>Projects Approved</i>	<i>Funds Disbursed</i>	<i>Outstanding Commitments</i>
Black's Harbour, Wellington and Beaver Harbour, N.B.	690,000	—	690,000
Shippegan, N.B.	498,546	463,960	34,586
Middle East Pubnico, N.S.	385,000	8,970	376,030
Bonavista, Nfld.	276,067	222,792	53,275
Woodstock, N.B.	275,000	—	275,000
East River in Lunenburg County, N.S.	250,000	—	250,000
Riverport, N.S.	242,000	110,756	131,244
Lower East Pubnico, N.S.	220,975	203,713	17,262
Ramea, Nfld.	209,000	—	209,000
Lockeport, N.S.	200,000	—	200,000
Montague, P.E.I.	190,000	17,663	172,337
Port Mouton, N.S.	154,286	126,837	27,449
Newtown, Nfld.	150,000	85,806	64,194
Cheticamp, N.S.	140,000	82,259	57,741
Hartland, N.B.	125,000	30,000	95,000
Milltown, N.B.	100,000	100,000	—
Grand Etang, N.S.	46,629	45,656	973
North Rustico, P.E.I.	20,000	—	20,000
Industrial Park Facilities:			
Point Edward, N.S.	\$ 1,620,000	\$ 104,727	\$ 1,515,273
Dorchester Point, N.B.	1,500,000	1,250,000	250,000
Stellarton, N.S.	700,000	600,000	100,000
Lakeside, N.S.	560,000	—	560,000
Saint John, N.B.	450,000	—	450,000
Moncton, N.B.	400,000	43,000	357,000
Amherst, N.S.	350,000	268,027	81,973
Truro, N.S.	200,000	113,760	86,240
Summerside, P.E.I.	118,327	118,020	307
Abatement of industrial water pollution	2,000,000	4,200	1,995,800
Contribution to Nova Scotia for settling-in assistance to industry	1,200,000	—	1,200,000
Highway Long Harbour to Argentia-Placentia, Nfld.	1,000,000	—	1,000,000
Trawler repair facilities—Marystown, Nfld.	825,000	—	825,000
Boglands clearing—Burin Peninsula, Nfld.	87,891	—	87,891
Assistance to Industrial Estates Ltd.—services for flour mill at Halifax	64,000	—	64,000
Repairs to marine railway—St. Anthony, Nfld.	60,000	—	60,000
Causeway construction—Montague, P.E.I.	40,000	40,000	—
Water pollution metering equipment	10,000	9,356	644
	<hr/>	<hr/>	<hr/>
	24,303,258	5,741,597	18,561,661
	<hr/>	<hr/>	<hr/>

Statement I (cont'd)

ATLANTIC DEVELOPMENT BOARD

	<i>Products Approved</i>	<i>Funds Disbursed</i>	<i>Outstanding Commitments</i>
Research facilities			
Financial assistance for new research laboratories and equipment:			
Halifax-Dartmouth, N.S.	1,750	63,521	1,686,488
Fredericton, N.B.	1,508,179	418,106	1,090,073
Provincial Dept. of Natural Resources, N.B.—geochemical laboratory	50,000	—	50,000
	3,308,179	481,618	2,826,561
Sundry expenditure	15,000	10,822	4,178
Total	\$98,714,237	\$54,068,658	\$44,645,579

Certified correct:

E. P. WEEKS,
Executive Director

Approved:

I. M. MACKEIGAN,
Chairman

I have examined the above Statement of Atlantic Development Fund Transactions showing Projects Approved and Funds Disbursed as at March 31, 1967 and have reported thereon under date of June 20, 1967 to the Atlantic Development Board and the Minister of Transport.

A. M. HENDERSON,
Auditor General of Canada

Statement II

ATLANTIC DEVELOPMENT BOARD

**Statement of Expenditures under the Trunk Highway Program
as at March 31, 1967**

	<i>Approved by the Governor in Council</i>	<i>Funds Disbursed</i>	<i>Outstanding Commit- ments</i>
Province of New Brunswick	\$ 9,000,000	\$ 1,961,399	\$ 7,038,601
Province of Newfoundland	9,000,000	5,483,210	3,516,790
Province of Nova Scotia	9,000,000	2,662,297	6,337,703
Province of Prince Edward Island	3,000,000	545,353	2,454,647
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	\$30,000,000	\$10,652,259	\$19,347,741
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Certified correct:

E. P. WEEKS,
Executive Director

Approved:

I. M. MACKEIGAN,
Chairman

I have examined the above Statement of Expenditures under the Trunk Highway Program as at March 31, 1967 and have reported thereon under date of June 20, 1967 to the Atlantic Development Board and the Minister of Transport.

A. M. HENDERSON,
Auditor General of Canada

Statement III

ATLANTIC DEVELOPMENT BOARD

**Statement of Administrative Expenses and Expenditures
on Technical and Economic Surveys and Studies
for the year ended March 31, 1967**

	1967	1966
Administrative expenses		
Salaries	\$ 437,601	\$253,410
Employee benefits	25,249	12,944
Travel and removal expenses	51,257	38,948
Accommodation	18,100	12,500
Accounting services	23,400	3,800
Telephone and telegrams	20,308	8,642
Office equipment and supplies	25,965	21,618
Other	11,224	8,855
	613,104	360,717
Expenditures on technical and economic surveys and studies per attached Appendix	1,253,875	456,306
	\$1,866,979	\$817,023
Provided by:		
Department of Transport		
Votes 110, 110a and 110c	1,825,479	800,723
Estimated value of accommodation and accounting services provided by other government departments	41,500	16,300
	\$1,866,979	\$817,023

Certified correct:

E. P. WEEKS,
Executive Director

Approved:

I. M. MACKEIGAN,
Chairman

I have examined the above Statement of Administrative Expenses and Expenditures on Technical and Economic Surveys and Studies for the year ended March 31, 1967 and have reported thereon under date of June 20, 1967 to the Atlantic Development Board and the Minister of Transport.

A. M. HENDERSON,
Auditor General of Canada

Addendum to Statement III

ATLANTIC DEVELOPMENT BOARD

Expenditures on technical and economic surveys and studies

	1967	1966
Study of the tourist industry in Newfoundland, New Brunswick and Nova Scotia	\$ 287,775	\$ —
Study of potash exploration in Nova Scotia	199,225	66,576
Study of water supplies in Charlotte County and Caraquet areas of New Brunswick	85,956	—
Study of the structure and function of urban centres in the Atlantic provinces	79,773	—
Study of water supplies in Alder Point, Isle Madame—St. Peters, Cape Sable Island and Digby Neck, Nova Scotia	72,778	—
Investigation of water supply in Bay St. George-Stephenville, Nfld.	39,793	—
Investigation of water supplies to fish processing plants and water resources survey at Trepassey, in Newfoundland	38,649	79,990
Study of barriers to manpower mobility in economically lagging areas of Newfoundland and Labrador, Nova Scotia, New Brunswick and Quebec (cost shared with Departments of Manpower and Immigration, and Forestry and Rural Development)	35,000	—
Comprehensive study of forestry in the Atlantic Provinces	31,879	—
Development plan for Ernest Harmon Air Base, Stephenville, Nfld.	30,000	—
Industrial opportunities study in Cape Breton, N.S.	30,000	2,000
Economic survey of Bell Island, Nfld.	26,661	—
Study of the water resources in New Brunswick	21,163	—
Study of the comparative advantage of agricultural enterprises in Nova Scotia, New Brunswick and Prince Edward Island	21,000	—
Study and investigation of purification of salt water for use in fish processing plants	19,947	—
Study of water supplies and needs in Placentia, Nfld.	19,681	—
Study of education as a factor in economic growth of Atlantic Provinces	17,037	—
Layout and design of proposed waterfront industrial park at site of former Point Edward Naval Base, Cape Breton	16,846	—
Study of industrial park needs of metropolitan area of St. John's, Nfld.	16,000	—
Study of industrial park needs of Edmundston, N.B.	15,000	—
Investigation for a possible power site at Minas Basin, Bay of Fundy	14,675	55,325
Study of agriculture in the Atlantic Provinces	14,026	—
Marketing study of selected steel products of Sydney, N.S.	12,776	—
Study of groundwater resources in Nova Scotia	10,180	—
Study of industrial park needs at various centres in New Brunswick and Nova Scotia	10,000	37,500
Study of industrial park needs in Charlottetown, P.E.I.	10,000	—
Study of potential industrial sites in Halifax Harbour area	10,000	—
Fees and expenses of special consultants	8,318	—
Study of manufacturing opportunities in the Atlantic region	7,700	—
Preliminary review of the tourist industry in Newfoundland	6,984	—

Addendum to Statement III—(cont'd)

ATLANTIC DEVELOPMENT BOARD

Expenditures on technical and economic surveys and studies

	1967	1966
Study of structure of the economy of the Atlantic region	5,853	—
Survey of water resources at North Rustico, P.E.I.	5,411	—
Study of inter-industry flow of goods and services in Atlantic Provinces	5,000	46,445
Public information consultant services	3,670	2,400
Study of Gander Airport as a major air cargo staging point and industrial centre	3,449	—
Bibliography of existing information on water resources in the Atlantic region	3,248	—
Consulting services of a professional librarian	3,171	—
Survey and pre-design of a sewer system for industrial park Stellarton, N.S.	3,150	—
Study of water supplies in Bay Bulls area of Newfoundland ...	2,913	—
Stream gauging survey of North West Brook near Trepassey, Nfld.	2,232	—
Office services	2,154	1,126
Study of development of Newfoundland economy since Confederation	2,000	—
Analysis of federal expenditures in the Atlantic Provinces	1,321	3,229
Computer services	581	—
Study of transportation network and urban systems of the Provinces of Nova Scotia and New Brunswick	500	3,000
Study of export trade of Atlantic Provinces	400	2,600
Study of demand and supply for hardwood in Atlantic Provinces	—	42,110
Engineering investigations for deep water harbour, ore dock and ancillary facilities at Belledune Point, N.B. (cost shared with Department of Public Works)	—	25,824
Study of trans-Atlantic container shipping operations from ports of Halifax, N.S. and Saint John, N.B.	—	20,736
Economic study of grain trade via Atlantic ports	—	15,000
Consultant services re power and natural resources	—	16,636
Water supply study at Come-by-Chance, Nfld.	—	12,800
Study of waste products of food and beverage industries in Atlantic Provinces	—	9,600
Industrial location study	—	5,841
Investigation into disparity between per capita personal income in the Atlantic region and the rest of Canada	—	4,568
Beneficiation research program on silica sand	—	3,000
	<hr/> <hr/> \$1,253,875	<hr/> <hr/> \$456,306

Appendix II

11 ELIZABETH II.

CHAP. 10

An Act to provide for the establishment of an Atlantic Development Board.

[Assented to 20th December, 1962.]

HER Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:

SHORT TITLE.

1. This Act may be cited as the *Atlantic Development Board Act*.^{Short title.}

INTERPRETATION.

2. In this Act,^{Definitions.}

- (a) "Atlantic region" means the region comprising the Provinces of New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland;^{"Atlantic region."}
- (b) "Board" means the Atlantic Development Board "Board" established by section 3; and
- (c) "Minister" means such member of the Queen's Privy Council for Canada as may from time to time be designated by the Governor in Council to act as the Minister for the purposes of this Act.^{"Minister"}

ATLANTIC DEVELOPMENT BOARD

3. A corporation is hereby established to be known as ^{Board} ^{established.} the Atlantic Development Board, consisting of five members to be appointed by the Governor in Council as provided in section 4.

4. (1) Each of the members of the Board shall be appointed to hold office for a term of five years, except that of those first appointed one shall be appointed for a term of three years and two shall be appointed for a term of four years.^{Appointment of members.}

(2) One of the members of the Board shall be appointed to be the chairman thereof.^{Chairman.}

(3) A retiring chairman or other member of the Board is eligible for reappointment to the Board in the same or another capacity.^{Eligibility for reappointment.}

Travelling
and living
expenses.

5. (1) The members of the Board shall serve without remuneration, but are entitled to be paid reasonable travelling and living expenses while absent from their ordinary place of residence in the course of their duties under this Act.

Honorarium
to chairman.

Notwithstanding subsection (1), the chairman of the Board may be paid such amount per annum as an honorarium as may be approved by the Governor in Council.

Quorum.

6. Three members constitute a quorum of the Board.

Vacancy.

7. A vacancy in the membership of the Board does not impair the right of the remainder to act.

Absence,
etc., of
chairman.

8. The Board may designate one of its members to be vice-chairman of the Board, who shall, in the event of the absence or incapacity of the chairman or if the office of chairman is vacant, act as chairman.

OBJECTS AND POWERS

Objects and
powers.

9. (1) The objects of the Board are to inquire into and report to the Minister upon measures and projects for fostering the economic growth and development of the Atlantic region of Canada, and, without limiting the generality of the foregoing, the Board may, in furtherance of its objects,

- (a) prepare on a systematic and comprehensive basis, and revise as required in the light of changing circumstances, an assessment of factors relevant to economic growth in the Atlantic region;
- (b) keep under constant review appropriate methods of furthering the sound economic development of the Atlantic region, whether such methods involve new measures and projects or the removal or mitigation of existing factors that may be considered to inhibit such development;
- (c) with respect to particular measures or projects that may be referred to it by the Minister, inquire into, assess and report to the Minister upon the feasibility of such measures or projects and the effect thereof in relation to the economy of the Atlantic region, and make recommendations to the Minister with respect to any such measures or projects that in the opinion of the Board would significantly contribute to the growth and development of the economy of the Atlantic region; and

(d) consider and report to the Minister upon any other matters that in the opinion of the Board may usefully be considered by it having regard to the need for a continuing sound economic development of the Atlantic region.

(2) The Board shall, to the greatest possible extent ^{Duty of co-operation.} consistent with the performance of its duties under this Act, co-operate with the National Economic Development Board, the National Productivity Council and all departments, branches and other agencies of the Government of Canada having duties related to, or having aims or objects related to those of the Board.

ORGANIZATION.

10. The Board shall meet at such times and places as it ^{Meetings.} deems necessary but shall meet at least once a year in the City of Ottawa.

11. (1) The Governor in Council may appoint an ^{Executive Director.} Executive Director of the Board, who shall hold office during pleasure and shall be paid such salary and expenses as are fixed by the Governor in Council.

(2) The Executive Director is the chief executive ^{Direction of work and staff.} officer of the Board and has supervision over and direction of the work and staff of the Board.

12. (1) The Board may, subject to the approval of the ^{By-laws.} Governor in Council, make by-laws for the regulation of its proceedings and generally for the conduct of its activities, including the establishment of advisory and other committees of the Board.

(2) Any by-law made pursuant to subsection (1) ^{Advisory committees.} establishing an advisory committee of the Board may provide for the membership thereon of persons other than members of the Board, in addition to members of the Board.

13. (1) The Board may ^{Appointment of staff.}

(a) appoint such officers and employees as are necessary for the proper conduct of the work of the Board; and

(b) prescribe the duties of such officers and employees and, subject to the approval of the Treasury Board, prescribe the conditions of their employment.

(2) The officers and employees of the Board appointed ^{Salaries and expenses of ex-staff.} as provided in subsection (1) shall be paid such salaries and ex-

penses as are fixed by the Board with the approval of the Treasury Board.

Technical
and special
advisors.

14. The Board may engage on a temporary basis or for any period of not more than two years the services of persons having technical or specialized knowledge of any matter relating to the work of the Board, to advise and assist the Board in the performance of its duties under this Act, and with the approval of the Treasury Board may fix and pay the remuneration of such persons.

Superannua-
tion.

15. (1) The Executive Director and the officers and employees of the Board appointed as provided by subsection (1) of section 13 shall be deemed to be employed in the Public Service for the purposes of the *Public Service Superannuation Act*, and the Board shall be deemed to be a Public Service corporation for the purposes of section 23 of that Act.

Application of
Government
Employees
Compensation
Act.

(2) The *Government Employees Compensation Act* applies to the Executive Director and the officers and employees of the Board appointed as provided in subsection (1) of section 13 and, for the purposes of that Act, such persons shall be deemed to be employees in the service of Her Majesty.

Not agent
of Her
Majesty.

16. The Board is not an agent of Her Majesty and, except as provided in section 15, the members, Executive Director and staff of the Board are not part of the public service.

Appropria-
tions.

FINANCIAL.

Audit.

17. All amounts required for the payment of salaries and other expenses under this Act including expenses of administration shall be paid out of moneys appropriated by Parliament for the purpose.

AUDIT.

Annual
report to
be made.

18. The accounts and financial transactions of the Board shall be audited annually by the Auditor General, and a report of the audit shall be made to the Board and the Minister.

REPORT TO PARLIAMENT.

19. The chairman of the Board shall, within three months after the termination of each fiscal year, transmit to the Minister a statement relating to the activities of the Board for that fiscal

year, including the financial statements of the Board and the Auditor General's report thereon, and the Minister shall cause such statement to be laid before Parliament within fifteen days after the receipt thereof or, if Parliament is not then sitting, on any of the first fifteen days next thereafter that Parliament is sitting.

12 ELIZABETH II.

CHAP. 5

An Act to amend the Atlantic Development Board Act

[Assented to 31st July, 1963.]

1962-63, c. 10.

HER Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:

1. Section 2 of the *Atlantic Development Board Act* is amended by striking out the word "and" at the end of paragraph (b) thereof and by adding thereto, immediately after paragraph (b) thereof, the following paragraph:

"Fund"

"(ba) "Fund" means the Atlantic Development Fund established by section 16; and"

2. (1) Sections 3 and 4 of the said Act are repealed and the following substituted therefor:

Board established.

3. (1) A corporation is hereby established to be known as the Atlantic Development Board, consisting of eleven members to be appointed by the Governor in Council as provided in section 4.

Constitution of membership.

(2) The membership of the Board shall be constituted in such a manner as to reflect the economic structure of the Atlantic region.

Appointment of members.

4. (1) Each of the members of the Board shall be appointed to hold office for a term of three years, except that of those first appointed four shall be appointed for a term of one year and four shall be appointed for a term of two years.

Chairman.

(2) The Governor in Council shall designate one of the members to serve as chairman of the Board during pleasure.

Eligibility for re-appointment.

(3) A person who has served two consecutive terms as a member of the Board is not, during the twelve month period following the completion of his second term, eligible for reappointment."

(2) A person who, at the coming into force of this Act, held office under the *Atlantic Development Board Act* as a

member of the Atlantic Development Board shall be deemed to have been appointed as a member of the Board under this Act

- (a) in the case of the person who at the coming into force of this Act held the office of chairman of the Board, for a term of two years, and
- (b) in any other case, for a term of one year.

(3) The term of each of the persons first appointed to the Atlantic Development Board after the coming into force of this Act and the term of each of the persons referred to in subsection (2) shall be calculated as if such term had commenced on the 24th day of January, 1963.

3. Section 6 of the said Act is repealed and the following substituted therefor:

“6. A majority of the members constitutes a quorum of Quorum. the Board.”

4. The said Act is further amended by adding thereto, immediately after section 8 thereof, the following section:

“8A. (1) The Board, is for all purposes of this Act, an ^{Board agent of Her Majesty.} agent of Her Majesty, and its powers under this Act may be exercised only as an agent of Her Majesty.

(2) Subject to the approval of the Governor in Contracts Council, the Board may, on behalf of Her Majesty, enter into contracts in the name of Her Majesty or in the name of the Board.

(3) Property acquired by the Board is the property ^{Property.} of Her Majesty and title thereto may be vested in the name of Her Majesty or in the name of the Board.

(4) Actions, suits or other legal proceedings in respect of any right or obligation acquired or incurred by the Board on behalf of Her Majesty, whether in its name or in the name of Her Majesty, may be brought or taken by or against the Board in the name of the Board in any court that would have jurisdiction if the Board were not an agent of Her Majesty.”

5. Section 9 of the said Act is repealed and the following substituted therefor:

“9. (1) The objects of the Board are to inquire into and ^{Objects and powers.} report to the Minister upon programs and projects for fostering the economic growth and development of the Atlantic

region of Canada, and to consider, report and make recommendations to the Minister concerning programs and projects not involving the use of the Fund and programs and projects involving the use of the Fund; and without limiting the generality of the foregoing, the Board may, in furtherance of its objects,

- (a) prepare, in consultation with the Economic Council of Canada, an overall co-ordinated plan for the promotion of the economic growth of the Atlantic region;
- (b) keep under constant review appropriate methods of furthering the sound economic development of the Atlantic region, whether such methods involve new programs and projects or the removal or mitigation of existing factors that may be considered to inhibit such development;
- (c) with respect to particular programs or projects that may be referred to it by the Minister or that the Board may on its own initiative investigate, inquire into, assess and report to the Minister upon the feasibility of such programs or projects and the effect thereof in relation to the economy of the Atlantic region, and make recommendations to the Minister with respect to any such programs or projects that, in the opinion of the Board, will contribute to the growth and development of the economy of the Atlantic region; and
- (d) with the approval of the Governor in Council, enter into agreements with
 - (i) the government of any province comprised in the Atlantic region or the appropriate agency thereof, or
 - (ii) any other person,respecting the use of the Fund in financing or assisting in financing the undertaking and the carrying out of particular programs or projects described in subsection (1) of section 16.

Duty of
co-operation.

(2) The Board shall, to the greatest possible extent consistent with the performance of its duties under this Act, consult and co-operate with the Economic Council of Canada

and all departments, branches and other agencies of the Government of Canada having duties related to, or having aims or objects related to those of the Board."

6. Section 16 of the said Act is repealed and the following heading and section substituted therefor:

"ATLANTIC DEVELOPMENT FUND

16. (1) Subject to subsection 4, the Minister of Finance may, on the recommendation of the Minister, pay to the Board out of the Consolidated Revenue Fund such amounts as are from time to time required by the Board for the purpose of financing or assisting in financing the undertaking and the carrying out of programs and projects that, in the opinion of the Board, will contribute to the growth and development of the economy of the Atlantic region and for which satisfactory financing arrangements are not otherwise available.

(2) There shall be a special account in the Consolidated Revenue Fund to be known as the Atlantic Development Fund, to which shall be credited all amounts paid by the Minister of Finance to the Board under subsection (1) and to which shall be charged all payments in respect of programs or projects described in that subsection.

(3) No payments may be made by the Minister of Finance to the Board under subsection (1) except in respect of a program or project described in that subsection that has been approved by the Governor in Council.

(4) The total of all amounts that may be paid by the Minister of Finance to the Board under subsection (1) and credited to the Atlantic Development Fund is one hundred million dollars.

7. Section 17 of the said Act is repealed and the following substituted therefor:

"17. All expenditures under this Act including amounts required for the payment of salaries, technical and economic surveys and other expenses including expenses of administration, except any amounts described in subsection (1) of section 16, shall be paid out of moneys appropriated by Parliament therefor."

8. This Act shall come into force on a day to be fixed by proclamation of the Governor in Council.

14-15 ELIZABETH II.

CHAP. 31

An Act to amend the Atlantic Development Board Act.

[Assented to 11 July, 1966.]

1962-63, c. 10;
1963, c. 5.
HER Majesty, by and with the advice and consent of the Senate
and House of Commons of Canada, enacts as follows:

1963, c. 5.
1. Subsection (2) of section 8A of the *Atlantic Develop-
ment Board Act* is repealed and the following substituted therefor:

Contracts.
“(2) The Board may, on behalf of Her Majesty, enter
into contracts in the name of Her Majesty or in the name of
the Board.”

1963, c. 5.
2. Paragraph (d) of subsection (1) of section 9 of the
said Act is repealed and the following substituted therefor:

“(d) enter into agreements with the government of any
province comprised in the Atlantic region or the ap-
propriate agency thereof, subject to approval thereof by
the Governor in Council, or enter into agreements with
any other person, providing for

- (i) the undertaking by the Board of any programs or
projects that, in the opinion of the Board, will
contribute to the growth and development of the
economy of the Atlantic region and for which
satisfactory financing arrangements are not other-
wise available,
- (ii) the joint undertaking by the Board and the prov-
ince or agency thereof or person of programs or
projects described in subparagraph (i), or
- (iii) the payment by the Board to the province or
agency thereof or person of contributions in re-
spect of the cost of programs or projects described
in subparagraph (i).”

3. The said Act is further amended by adding thereto,
immediately after section 9 thereof, the following section:

"9A. An agreement entered into pursuant to paragraph (d) of subsection (1) of section 9 shall, where appropriate, specify the respective proportions of the revenues from any program or project to which the agreement relates that are to be paid to the Board and the province or agency thereof or person."

4. (1) Section 16 of the said Act is repealed and the following substituted therefor:

"16. (1) There shall be a special account in the Consolidated Revenue Fund to be known as the Atlantic Development Fund.

(2) There shall be credited to the Fund, in addition to the amounts credited thereto pursuant to subsection (1) of section 16A, all revenues of the Board under agreements entered into pursuant to paragraph (d) of subsection (1) of section 9 and there shall be paid out of the Consolidated Revenue Fund and charged to the Fund all expenditures under agreements entered into pursuant to paragraph (d) of subsection (1) of section 9.

(3) No payment shall be made out of the Consolidated Revenue Fund under this section in excess of the amount of the balance to the credit of the Fund.

16A. (1) Subject to subsection (2), the Minister of Finance may, on the recommendation of the Minister, credit to the Fund out of the Consolidated Revenue Fund such amounts not exceeding in the aggregate one hundred and fifty million dollars as are from time to time required by the Board under agreements entered into pursuant to paragraph (d) of subsection (1) of section 9.

(2) No amount may be credited by the Minister of Finance to the Fund under subsection (1) in respect of programs or projects described in an agreement entered into under paragraph (d) of subsection (1) of section 9 with a province or agency thereof, unless the agreement has been approved by the Governor in Council."

(2) For the purpose of section 16A of the said Act as enacted by this section, all amounts credited or charged to the

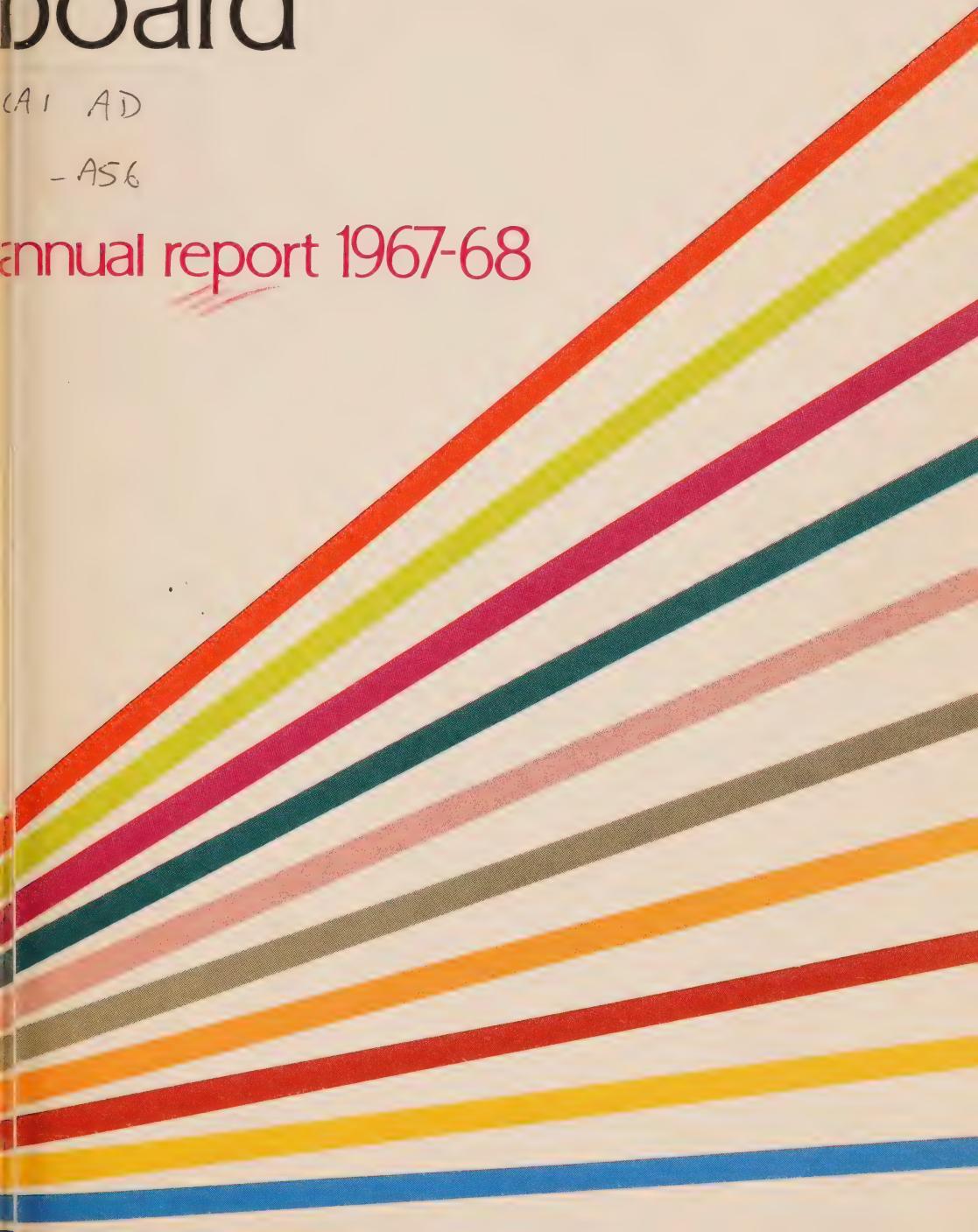
Atlantic Development Fund pursuant to section 16 of the said Act before the coming into force of this Act shall be deemed to have been credited or charged, as the case may be, to the Atlantic Development Fund pursuant to sections 16 and 16A of the said Act as enacted by this section.

atlantic development board

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annual report 1967-68



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ATLANTIC DEVELOPMENT BOARD

*Annual Report for the fiscal year
1967-1968*

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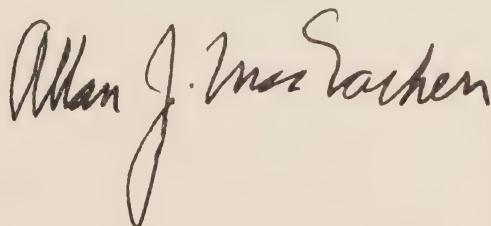
MINISTER OF NATIONAL HEALTH AND WELFARE

To HIS EXCELLENCY THE RIGHT HONORABLE ROLAND MICHENER,
Governor General and Commander-in-Chief of Canada

MAY IT PLEASE YOUR EXCELLENCY:

I have the honour herewith, for the information of Your Excellency and the Parliament of Canada, to present the Annual Report of the Atlantic Development Board and the financial statements of the Board for the fiscal year 1967-68.

Respectfully submitted,



Minister of National Health and Welfare

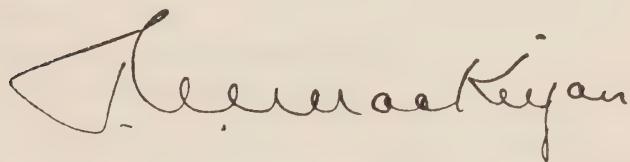
THE HONORABLE ALLAN J. MACEACHEN, M.P.,
Minister of National Health and Welfare,
Ottawa, Ont.

SIR:

I submit herewith the Annual Report of the Atlantic Development Board and the financial statements of the Board for the fiscal year 1967-68.

I have the honour to be, Sir,

Your obedient servant,

A handwritten signature in black ink, appearing to read "Leesha Keigan".

Chairman

TABLE OF CONTENTS

	PAGE
Introduction	9
Establishment of the Board	10
Organization of the Board	12
1967-68 in Review	14
Programs and Projects 1963-68	17
Highway Development	17
New Brunswick	18
Nova Scotia	18
Newfoundland	19
Prince Edward Island	20
Electric Power Development	21
Industrial Water Supplies	23
Industrial Parks and Sites	26
Capital Facilities for Applied Research	28
Miscellaneous Projects	30
Strait of Canso Development, N.S.	30
Mapping and Land Registration	30
Fund for Pollution Control	31
Grant to Nova Scotia re Sydney Steel	31
Special Assistance for Bell Island, Nfld.	32
Production for Export Program	32
Long Term Planning	34
Technical and Economic Surveys and Studies	36
Appendix I	
Auditor General's Report	37
Appendix II	
Atlantic Development Board Act	49
First Amendment to Atlantic Development Board Act 1963	54
Second Amendment to Atlantic Development Board Act 1966	58

ATLANTIC DEVELOPMENT BOARD

INTRODUCTION

The year 1967-68 was one of continuing search for solutions to achieve better balanced economic growth in the Atlantic region. Attention was focussed on this problem in February 1968 when the Constitutional Conference took clear note of the appeal by the Atlantic Premiers for a "national policy which is frankly regional in application and of massive size", to deal with "the difficult question of regional economic disparity."

The problem of regional economic disparity has been a persistent and deep-rooted problem during most of Canada's existence. Early responses from the federal government to meet its responsibility took the form of fiscal concessions and subsidization of rail freight movements. In recent years, as the nature and extent of regional inequalities came to be better understood, successive federal governments have adopted a more penetrating and basic approach to the problem. Among other programs, equalization payments to the poorer provinces to bring their receipts from shared-tax fields up to the national average were instituted, followed by special fiscal grants to the four Atlantic Provinces.

While efforts to strengthen the fiscal capacity of the poorer provinces continued, the federal government also took direct remedial measures of its own. The Atlantic Development Board was organized as a special agency solely concerned with the economy of the Atlantic region. At the national level, the Agricultural and Rural Development Agency was established to deal with rural, social and economic problems in their totality, and the Area Development Agency of the Department of Industry was charged with the responsibility of encouraging industries, by means of cash grants, to locate in areas of high unemployment.

ESTABLISHMENT OF THE BOARD

The Atlantic Development Board was established by Act of Parliament in December 1962, the Act being amended in 1963 and in 1966. The first amendment established an Atlantic Development Fund of \$100 million, increased to \$150 million under the second amendment. The objects and powers of the Board are set out in sections 9 and 9A:

9. (1) The objects of the Board are to inquire into and report to the Minister upon programs and projects for fostering the economic growth and development of the Atlantic region of Canada, and to consider, report and make recommendations to the Minister concerning programs and projects not involving the use of the Fund and programs and projects involving the use of the Fund; and without limiting the generality of the foregoing, the Board may, in furtherance of its objects,

- (a) prepare, in consultation with the Economic Council of Canada, an overall co-ordinated plan for the promotion of the economic growth of the Atlantic region;
- (b) keep under constant review appropriate methods of furthering the sound economic development of the Atlantic region, whether such methods involve new programs and projects or the removal or mitigation of existing factors that may be considered to inhibit such development;
- (c) with respect to particular programs or projects that may be referred to it by the Minister or that the Board may on its own initiative investigate, inquire into, assess and report to the Minister upon the feasibility of such programs or projects and the effect thereof in relation to the economy of the Atlantic region, and make recommendations to the Minister with respect to any such programs or projects that, in the opinion of the Board, will contribute to the growth and development of the economy of the Atlantic region; and
- (d) enter into agreements with the government of any province comprised in the Atlantic region or the appropriate agency thereof, subject to approval thereof by the Governor in Council, or enter into agreements with any other person, providing for
 - (i) the undertaking by the Board of any programs or projects that, in the opinion of the Board, will contribute to the growth and development of the economy of the Atlantic region and for which satisfactory financing arrangements are not otherwise available,
 - (ii) the joint undertaking by the Board and the province or agency thereof or person of programs or projects described in subparagraph (i), or
 - (iii) the payment by the Board to the province or agency thereof or person of contributions in respect of the cost of programs or projects described in subparagraph (i).

(2) The Board shall, to the greatest possible extent consistent with the performance of its duties under this Act, consult and co-operate with the

Economic Council of Canada and all departments, branches and other agencies of the Government of Canada having duties related to, or having aims or objects related to those of the Board.

9A. An agreement entered into pursuant to paragraph (d) of subsection (1) of section 9 shall, where appropriate, specify the respective proportions of the revenues from any program or project to which the agreement relates that are to be paid to the Board and the province or agency thereof or person.

ORGANIZATION OF THE BOARD

The Atlantic Development Board consists of 11 members appointed by the Governor in Council for terms which are laid down in Section 4 of the Act. Following is a list of the members of the Board, their addresses, the date of their initial appointment, and the expiry date of their terms of office.

	<i>Address</i>	<i>Date of Initial Appointment</i>	<i>Date of Expiration of Term of Office</i>
<i>Chairman</i>			
Ian M. MacKeigan, Q.C.	Halifax, N.S.	Aug. 2, 1963	Jan. 24, 1969
<i>Vice-Chairman</i>			
Albert Martin	Corner Brook, Nfld.	Aug. 2, 1963	Jan. 24, 1969
<i>Members</i>			
Robert C. Eddy	Bathurst, N.B.	Aug. 2, 1963	Jan. 24, 1969
Neil R. MacLeod	Summerside, P.E.I.	Jan. 7, 1966	Jan. 6, 1969
Joseph A. Likely	Saint John, N.B.	Jan. 31, 1967	Jan. 30, 1970
Simon L. Bujold	Moncton, N.B.	Jan. 31, 1967	Jan. 30, 1970
C. Arnold Patterson	Dartmouth, N.S.	Jan. 31, 1967	Jan. 30, 1970
Calvert C. Pratt	St. John's, Nfld.	Jan. 31, 1967	Jan. 30, 1970
Maurice J. Quinlan	St. John's, Nfld.	Feb. 15, 1968	Feb. 14, 1971
Michael S. Schurman	Summerside, P.E.I.	Feb. 15, 1968	Feb. 14, 1971
Harry H. Smofsky	Bridgetown, N.S.	Feb. 15, 1968	Feb. 14, 1971

The staff of the Board, located in Ottawa, with offices at 396 Cooper Street, is headed by Dr. E. P. Weeks, Executive Director. At March 31, 1968, the staff numbered 32 professional and 35 supporting personnel.

The Board meets every two or three months at some point in the Atlantic region, and once annually in Ottawa, to review all current aspects of the program, and to consider new projects which involve expenditure from the

Atlantic Development Fund. The Board members of any given province, with the Chairman, constitute a provincial sub-committee of the Board. Board members, including the Chairman, are unpaid.

Five meetings of the Board were held during fiscal 1967-68: New Glasgow, N.S. in April 1967; Charlottetown, P.E.I. in July 1967; Atlantic Provinces Pavilion, Expo '67 in October 1967; Ottawa in November 1967; and Halifax in January 1968.

Each of the Atlantic Provinces has designated officers to maintain liaison with the Board. They are: Nova Scotia — Hon. Dr. T. J. McKeough, Minister of Trade and Industry; New Brunswick — Hon. R. J. Higgins, Minister of Economic Growth, Mr. R. E. Tweeddale, Deputy Minister of Economic Growth, and Mr. R. K. Fletcher, Co-ordinator of Economic Development; Prince Edward Island — Hon. Alexander B. Campbell, Premier, and Hon. Cecil A. Miller, Minister of Industry, Natural Resources and Fisheries; Newfoundland — Hon. J. R. Smallwood, Premier and Minister of Economic Development, and Mr. G. M. Brownrigg.

1967-68 IN REVIEW

At March 31, 1967, the Board had under its administration a total of \$180 million, \$150 million in the Atlantic Development Fund and \$30 million voted by Parliament in the 1965-66 fiscal year to assist the provinces with trunk highway construction. In June 1967, Parliament approved an additional \$25 million for this latter program. In the same month, Parliament approved funds totalling \$1,750,000 as the federal share of the cost of a joint program with the Newfoundland Government, \$1,500,000 in special housing assistance and \$250,000 in mobility assistance, for residents of Bell Island. Another special vote in January 1968 made the Board responsible for providing financial assistance in the amount of \$2 million to the Nova Scotia Government in connection with the operating expenses of the Sydney steel plant, which had been taken over by a provincial Crown Corporation. By the end of fiscal 1967-68, the Board therefore had been made responsible for administering funds totalling \$208,750,000.

Of this amount, \$183,418,854 had actually been committed — \$124,-668,854 from the Atlantic Development Fund, \$55 million in special highway appropriations, \$1,750,000 for Bell Island, and \$2 million for the Sydney steel plant. This represented a total increase during 1967-68 of \$54,704,617 — \$25,954,617 from the Fund, \$25 million in special highway appropriations and the two special votes for Bell Island and Sydney.

Total cumulative spending to March 31, 1968, amounted to \$104,927,-434, of which \$72,697,086 was from the Fund, \$29,935,344 from the special highway appropriations, \$295,004 from the Bell Island fund, and the entire \$2 million Sydney grant. During 1967-68 expenditures totalled \$40,206,517, \$18,628,428 from the Fund, \$19,283,085 from the special highway appropriations, \$295,004 from the Bell Island fund, and the \$2 million Sydney grant.

The 1967-68 expenditure of \$40,206,517, compares with spendings of \$38,123,772 in 1966-67, \$22,954,636 in 1965-66, \$3,642,509 in 1964-65 and nil in 1963-64, the first year of the Board's operation. In addition there have been the annual appropriations by Parliament to cover general administrative expenses such as salaries and expenses, technical and economic surveys and studies.

These figures of annual cash flow highlight the fact that while the Board commenced, from the early years of its establishment, to make sizable commitments for financial support, it is only in the last two or three years that the physical capital assets representing these commitments have started to reach the completion stage. The impact of the Board's spending is just now beginning to be felt, as roads are constructed, power projects come on stream, and research facilities and industrial parks are completed. It is not surprising, therefore, that the effects of Board investments are not yet measurable in economic terms.

In September 1967, Hon. J. W. Pickersgill, who had been the Board's Minister since 1963, resigned from Parliament to become the first President of the Canadian Transportation Commission. His ADB responsibilities were assumed by Hon. Allan J. MacEachen, Minister of National Health and Welfare.

There were also changes in the membership of the Board during the year. In January, Carl F. Burke, Charlottetown; Captain Maxwell Burry, Glovertown, Nfld; and Stephen Dolhanty, Florence, N.S., retired from the Board after completing two consecutive terms. They were succeeded by Maurice J. Quinlan, St. John's; Michael S. Schurman, Summerside; and Harry H. Smofsky, Bridgetown, N.S.

Important changes took place in the staff of the Board. In response to the staff's increasing administrative, co-ordinating and planning responsibilities, the position of Deputy Executive Director was established in order to leave Dr. Weeks, the Executive Director, free to concentrate on policy, planning and co-ordination. Mr. D. W. Franklin, formerly a senior official of the Treasury Board, was appointed to this new position. Mr. F. J. Doucet, Director of the Program Division since 1965, resigned to become Vice-President, Industrial Development Division, Cape Breton Development Corporation. He was succeeded on March 1 by Miss Simcock, a staff member since 1963.

During 1967-68, the major new financial commitment was the \$25 million Third Road Program. New or increased commitments for industrial parks and sites were made at the following locations: Point Edward, N.S., increased by \$1,400,000; at Dartmouth, N.S., in the amount of \$787,500; at Fredericton, a commitment of \$400,000; at Sussex, \$337,000; and at Summerside, increased by \$32,000.

Major new commitments were also made for the construction of water systems for a variety of new or expanding industries. During the year, the Board agreed to increase, from 16 to 19, the number of Newfoundland fishing

centres in which it would provide water for processing plants: Dildo South (\$477,000); Old Perlican (\$270,000); and Port de Grave (\$100,000). In addition, a number of commitments made in previous years were increased, bringing the total for water supplies to Newfoundland fish plants to \$8,367,-512. The Board also committed, under loan agreement, \$1,250,000 for the construction of a water supply to a new phosphorus plant at Long Harbour, Nfld.

In Nova Scotia, the Board committed \$4,395,000 towards the Strait of Canso industrial complex, including the provision of a water supply for the area.

Three large commitments were made in New Brunswick during the year for industrial water supplies: \$1,250,000 to provide water to a new pulp mill at Nackawic; \$1,100,000 to permit expansion of industry at Dalhousie; and \$565,000 for a food processing plant at Florenceville.

In Prince Edward Island, a previous commitment was increased by \$262,000 to permit expansion of the fishing industry at North Rustico.

During 1967-68, the Board's commitments for industrial research facilities in Nova Scotia and New Brunswick were increased from \$3,308,179 to \$7,837,179.

Two important departures from the Board's concentration upon infrastructure were made during the year. To assist the provinces to revamp their obsolete land titles registration systems, the Board approved a total of \$3,977,000, to be allocated \$1,446,000 to New Brunswick, \$1,008,000 to Prince Edward Island, \$923,000 for Nova Scotia and \$600,000 to Newfoundland.

A more modest, but equally significant, new policy established during the year was the Board's decision to approve \$45,000 to help the four provinces launch an export-promotion campaign. In addition to paying a portion of the cost, the Board also is providing technical assistance with the program.

Continued progress was made during the year on the Board's long-term plan for the Atlantic region. Most of the sector studies were completed and analyzed by staff and then presented to the Board for discussion and guidance. In October 1967, staff presented to the Board a preliminary statement on the policy implications which were likely to emerge from the work of the Planning Division. This memorandum, and the various sector studies upon which it was based, came to occupy an increasing amount of the Board's attention, so that by early 1968 Board members were spending as much, if not more, time on planning as they were on projects.

PROGRAMS AND PROJECTS 1963-68

Highway Development

With the approval of the \$25 million Third Road Program in June 1967, Board commitments for highway development reached \$66,675,000, replacing power development as the largest single item of Board spending.

From its inception, the Board shared the views of the provinces that an adequate system of modern, all-weather trunk highways was necessary for the economic development of the region. And while it was recognized that it would be difficult to measure in precise and meaningful terms the relative economic benefits of highway construction spending as compared with alternative forms of assistance, it was realized that such expenditures were, as in the earlier case of power, essential for the development of a sound economic infrastructure for the region.

As noted in previous Annual Reports, in 1964 a commitment of \$10 million was made from the Atlantic Development Fund for the First Road Agreement: \$1 million to Prince Edward Island and \$3 million to each of New Brunswick, Nova Scotia and Newfoundland. The Board contributed 50 per cent or 75 per cent of the cost of improving selected roads excluding right-of-way. In the 1965-66 fiscal year, Parliament voted to the Board an additional \$30 million, separate from the Fund, to assist the provinces in trunk highway improvement on a 50-50 cost-share basis, except for Prince Edward Island where the Board assumed 75 per cent of the cost. This Second Agreement was allocated on the basis of \$3 million to Prince Edward Island and \$9 million to each of the other provinces. Under the Third Agreement, Prince Edward Island is receiving \$2.5 million with \$7.5 million going to each of New Brunswick, Nova Scotia and Newfoundland. The cost-sharing division is 75 per cent Atlantic Development Board and 25 per cent by the provinces.

The particular roads selected for these programs have been agreed upon between the Board and the province concerned. In the three Maritime Provinces, particular emphasis has been placed on bringing trunk roads up to all-weather standards. In Newfoundland, there is still a need for heavy expenditures on basic roads to open up or improve transportation between

centres of population and to provide access to resource development areas. A brief description of the major road activities in each of the provinces is set out below.

New Brunswick

In New Brunswick, under the First Highway Agreement, now completed, 22 contracts for road construction and six contracts for bridge building were awarded, the Board contributing 75 per cent of the cost and the province 25 per cent. The largest contribution by the Board, \$620,176, went toward construction of a bridge over the Miramichi River at Chatham.

Highways included in the New Brunswick Second Agreement, together with the Board's share, are: Saint John to Sussex — \$2,500,000; Saint John Throughway — \$2,500,000; Digdequash River to Lepreau — \$2,700,000; Port Elgin to Dupuis Corner — \$1,000,000; Acadiaville to Richibucto — \$300,000. At the end of fiscal 1967-68, payments by the Board came to more than half of its \$9 million commitment.

Twenty-seven projects were included in the Third Road Agreement, now virtually completed, the major ones, together with the Board's share, being: Chatham Bridge — \$1,065,000; Burton Bridge and approaches — \$1,125,000; Moncton to Shedia — \$825,000.

Nova Scotia

In Nova Scotia, the first highway agreement was nearing completion by March 31, 1968. The major roads included are: Bedford to Cobequid — \$205,000; Cobequid Intersection to Upper Sackville — \$880,000; Tantallon to Hubbards — \$1,915,000.

More than two-thirds of the Board's commitment under the Second Agreement had been paid by the end of the fiscal year. Roads included are: Sydney Bypass — \$1,850,000; Brookfield Connector — \$2,150,000; Enfield to Shubenacadie — \$1,250,000; Tantallon to Prospect — \$1,250,000; Kentville to Wolfville — \$1,500,000; Avonport Diversion to Falmouth — \$1,000,000.

At March 31, 1968, less than 10 per cent of the Board's \$7.5 million commitment under the Third Agreement with Nova Scotia had been paid. Thirteen projects are included: Trunk 1, Trunk 14 to Wentworth Road, Wentworth Road Bridge — \$502,500; Trunk 1, Ste. Croix to Trunk 14, Trunk 14 Interchange — \$1,012,500; Trunk 1, Dominion Atlantic Railway

at Digby to Weymouth North — \$750,000; Trunk 2, Stewiacke to Shortt's Lake Road, West Shortt's Lake Road Bridge — \$600,000; Trunk 3, Broad River to Sable River — \$750,000; Trunk 3, Nine Mile Woods Diversion — \$825,000; Trunk 4, Irish Cove Diversion — \$525,000; Trunk 1, Windsor Bypass — \$1,087,500; Trunk 1, Springfield Lake to Halifax-Hants County Line — \$375,000; Trunk 2, Shubenacadie to Stewiacke — \$528,750; Trunk 2, Shubenacadie Diversion — \$168,750; Trunk 2, Stewiacke Diversion — \$75,000; Bicentennial Drive, Halifax to Hammond Plains Road — \$300,000.

Newfoundland

In Newfoundland, the First Agreement, now completed, included the following roads, on a 50-50 share basis: Burin to Marystown — \$300,000; Trinity South to Whitbourne — \$500,000; Valleyfield to Wesleyville — \$300,000; Wiltondale to Rocky Harbour — \$500,000; Brigus Bay to Canada Bay — \$400,000; Baie Verte Peninsula — \$250,000; Harbour Breton to Bay d'Espoir — \$45,000; North Harbour to Branch — \$300,000.

The Board has paid out more than 90 per cent of its \$9 million commitment under the Second Agreement. Roads being constructed are: Burin to Marystown — \$450,000; Trinity South — \$190,000; Bonavista-North Valleyfield-Wesleyville — \$75,000; Rocky Harbour to Ste. Barbe Peninsula — \$225,000; Baie Verte Peninsula — \$150,000; Harbour Breton to Bay d'Espoir — \$135,000; North Harbour to Branch — \$250,000; completion Bay d'Espoir Road — \$3,200,000; Port aux Basques to Burnt Island — \$1,200,000;; completion Wiltondale to Rocky Harbour — \$700,000; Clarenville, Georges Brook, Lethbridge, Southern Bay — \$650,000; Ferry Terminal to Twillingate — \$500,000; Gander River Bridge to Gander Bay — \$350,000; Goose River Bridge — \$300,000; Bay Bulls to Trepassey — \$250,000; Lawn to Grand Bank — \$250,000; Holyrood Pond Bridge — \$125,00.

At March 31, 1968, the Board had made no payments to Newfoundland under the Third Agreement. Roads included are: Bay d'Espoir towards Bishop's Falls — \$675,000; Lethbridge towards Southern Bay — \$750,000; Gander to Gander Bay — \$750,000; Marystown towards Goobies — \$1,575,000; South Side Grand Bank towards Frenchmen's Cove — \$1,275,000; Rushoon, Piper's Hole, Black River bridges — \$300,000; St. Alban's towards Harbour Breton — \$1,350,000; Michael's Harbour to Campbellton — \$450,000; Gambo to Traverse Brook — \$375,000.

A special highway project in Newfoundland related specifically to industrial development is the Board's sharing with the province the cost of con-

structing a road from the new phosphorus plant at Long Harbour to Argentia-Placentia. By connecting Long Harbour and the extensively settled area of Argentia-Placentia, the major expense of constructing a new town site at Long Harbour was avoided. About one-third of the Board's \$1 million commitment on this project had been met by the end of 1967-68.

Prince Edward Island

Prince Edward Island's \$1 million share of the first program was allotted to the Albany-Miscouche highway on a 75-25 share basis. All of this money has been spent.

More than 90 per cent of the \$3 million commitment under the Second Agreement has been paid. Included in this program are: Albany to Miscouche — \$525,000; Miscouche to Day's Corner — \$375,000; Cherry Valley to Poole's Corner — \$975,000; Morrell Bridge — \$150,000; Cardigan — \$150,000; Bedeque Road at Country Lane — \$300,000; Bloomfield — \$525,000.

As of March 31, 1968, no payments had been made to Prince Edward Island by the Board under the Third Agreement. Ten projects comprise the program: Poole's Corner to Georgetown, and Poole's Corner to Montague — \$487,500; Traveller's Rest to Kensington — \$356,250; Kensington to Winsloe — \$412,500; Charlottetown to Winsloe — \$393,750; Charlottetown towards Morrell — \$337,500; Grand River Bridge — \$15,000; Souris West Bridge — \$30,000; Bay View Bridge — \$135,000; Anderson Bridge and approaches — \$82,500; Day's Corner to Richmond — \$250,000.

In addition to the three trunk highway programs, the Board agreed to pay 90 per cent of the cost, up to a total of \$675,000, of paving access roads to selected fishing points in Prince Edward Island. This commitment, more than 80 per cent completed at the end of fiscal 1967-68, was made because of special conditions on the Island. Unsurfaced roads become almost impassable during spring break-up. The lobster season opens in early May, and movement of gear to boats, and lobster from boats, becomes extremely difficult. The season is short, but the catch valuable and it is imperative that no fishing time be lost. The same problem exists for Irish Moss harvesters, oyster fishermen and others.

Electric Power Development

While no new commitments were made during 1967-68, the year was, in many ways, the most important since 1964 when the Board approved grants of \$20 million each to the Mactaquac project in New Brunswick and the Bay d'Espoir development in Newfoundland. Payment of these grants, the two largest ever made by the Board towards single projects, were completed during the year, as the first stages of these power developments came on stream, Bay d'Espoir in the spring of 1967 and Mactaquac in the spring of 1968. The Board also made the first payments on its \$12 million grant towards the 150,000 kilowatt extension to the Nova Scotia Power Commission's thermal plant at Trenton. At March 31, 1968, the Board had paid out \$46,456,583 of its total \$60,412,800 commitment for power development.

Located on the Saint John River, 14 miles above Fredericton, the \$120 million Mactaquac project is the largest engineering work ever undertaken in New Brunswick. With the installation by 1976 of six turbines, Mactaquac's generating capacity will be 600,000 kilowatts, nearly one and a half times greater than the entire generating capacity of the province in 1964.

As with Mactaquac, the Board's \$20 million grant towards Bay d'Espoir enabled the Newfoundland and Labrador Power Commission to raise capital at rates more favourable than otherwise would have been possible, have power available at reasonably low rates, and make an early start on a large-scale project. The first stage was completed on Oct. 22, 1967, when the last of three 100,000 horsepower units went on stream. Work on the second 300,000 HP second stage started during the summer of 1966 and is scheduled for completion late in 1969. The cost of the first stage, including transmission grid, was approximately \$88 million. The second stage will cost about \$79 million, including \$17 million for extension of the transmission grid, bringing total cost of the project to about \$167 million.

As part of its power development program, Newfoundland has standardized transmission at 60 cycles, the standard North American frequency. However, certain equipment in the province's pulp mills requires 50-cycle power, the frequency at which most of Newfoundland's power was formerly generated. To assist the power commission with its conversion program the

Board granted \$4 million towards purchase and installation of three frequency converters, all but \$181,000 of which was paid by the end of 1967-68.

The Board's \$12 million grant to the Trenton thermal plant, largest in the Atlantic region, will significantly lower the cost of producing power, savings which will be used by the Nova Scotia Power Commission to reduce the average cost of power for industry, especially power-intensive industries which require the lowest possible power rates to be competitive. Total cost of the project is estimated at \$27 million and the scheduled completion date is November 1969.

In Prince Edward Island, the Board's policy of assisting in the reduction of long-term power costs originally took the form of agreeing to install a submarine cable connection between the Island and the Maritime Power Pool, as recommended by special studies commissioned by the Board. With the announcement that a causeway would be constructed across Northumberland Strait, it was decided that the inter-provincial power connection should be carried over this structure at an estimated cost of \$4.3 million. With the subsequent reappraisal of the causeway design, it became necessary for the Board and the province to reopen the question of the best means of meeting Prince Edward Island's long- and short-term power requirements. No decision had been reached at the end of 1967-68.

Industrial Water Supplies

Until 1967-68 all but a small fraction of the funds the Board had approved for water supplies for industries located outside industrial parks or other resource-processing sites, were for fish plants, more than half of them in Newfoundland. In the last fiscal year, however, a considerable shift in emphasis took place. While new commitments totalling \$1.1 million were undertaken to supply water to fish plants in the Newfoundland communities of Dildo South, Old Perlican and Port de Grave and North Rustico, P.E.I., commitments to provide water to other than fish processing plants came to more than \$5.5 million. At the end of 1967-68 more than 25 per cent of the Board's commitments of \$20.7 million for industrial water supplies were for a variety of enterprises unconnected with the fishing industry, a proportion that is likely to increase substantially during 1968-69.

The reasons for the change are essentially three-fold.

First, the Board's program of providing water for the major fish plants is gradually coming to an end. In 1965, with the introduction of new regulations under the Fisheries Inspection Act requiring a higher standard of purity for water used to process fish for export, many plants in the region were faced with a serious situation, due to the inadequacy of supply of suitable water. Failure to comply with the new regulations could have meant closure of the plants. At the same time, many fish companies, European and American as well as Canadian, were making plans to locate new plants in the region and to expand existing ones. The Board, therefore, undertook to provide new water systems to the plants whose needs were most critical and to carry out surveys to determine the requirements of all the major plants and how these might best be met.

The costs of permanent water supplies of this kind are heavy and are usually beyond the financial capacities of both the fish company and the small communities in which the plants are located. The Board's policy has been, in most cases, to pay for the total cost of the water systems. The completed facilities are turned over to the province to maintain and operate, with the province collecting reasonable user charges. The systems are designed with sufficient capacity to serve existing needs of the fish plant and permit expansion in the future; where technically feasible, capacity is also provided to enable the community to tie in at its own expense.

Besides maintaining employment and output by enabling companies to comply with the new fisheries regulations, the Board's policy, along with expenditures by other government agencies, has encouraged plants to modernize and expand their facilities, acquire trawlers and shift from the inshore to the offshore fishery. It has also helped to attract new plants to the region.

Second, the period of rapid increase in the number of fish processing plants is also coming to an end. Lower prices for fish have acted to restrict the number of new plant openings, but even with the inevitable upswing in prices as supply and demand come more into balance, there is not likely to be any substantial addition to the present number of plants. Rather, future increases in fish landings are expected to be handled through expansion of existing facilities.

Third, early in 1967-68, the Board began to explore the possibility of its becoming involved in area water infrastructure — the provision of water for an entire area for a variety of uses, commercial and residential, as well as industrial. At the same time, the Board was receiving an increasing number of applications from the provinces to provide water to new non-fish-processing industries. It was recognized that meeting these requests would represent a departure from the Board's existing policy, reached under what amounted to emergency conditions, of supplying water to fish plants. After recognizing that neither the provinces nor the municipalities had the financial resources to undertake these expenditures, and that to require private industry to finance its own water systems would constitute a major impediment to economic development, the Board agreed to assist a number of projects, not with outright grants, as was being done with fish plants, but on the basis of loans to the provinces. The province concerned would collect user charges and amortize the loan over 30 years, with the Board assuming a substantial share of the cost of any spare capacity in the water system during the first ten years.

Under this formula, the Board committed, during 1967-68, assistance for several locations, including \$1,250,000 to supply water to a new phosphorus plant at Long Harbour, Nfld., and \$1,250,000 for a pulp mill at Nackawic, N.B.

During the year, the Board considered a request by the Halifax Public Service Commission for an \$8-million grant, nearly half the estimated cost of developing a new water supply for the City of Halifax and its western suburbs. Before deciding on the application, the Board authorized studies, both by staff and private consultants, to determine the best method of meeting the long-term water needs, not merely of the area served by the Halifax Public

Service Commission, but of the entire Halifax-Dartmouth metropolitan area. These studies were completed late in the year and were to be followed by further discussions with provincial and municipal officials. A final decision is expected during 1968-69.

Industrial Parks and Sites

Much of the secondary and major service industry attracted to the region in recent years has located in industrial parks and resource-processing sites financed in whole or in part by the Board. Along with the lack of plentiful supplies of power at reasonable prices and modern, all-weather highways, a major shortcoming in the region until very recent years was the absence of properly serviced, centrally located industrial land.

The development of industrial areas serviced with power, water and sewage facilities, road and rail access, requires large capital outlays in advance of the establishment of new industries. Consequently, municipalities may wait a long time before recovering capital costs through lease or sale of such lands, or from improved tax revenue. Moreover, most municipalities find it extremely difficult to finance the initial phase of industrial park development. In some cases, even with Board assistance, municipalities are still forced to borrow money from the provincial governments to finance their share of the cost of a park.

Recognizing that industrial parks and sites are a fundamental part of the region's infrastructure, the Board has committed about \$9.5 million for these developments. Centres selected for parks and sites have been chosen in consultation with the provinces to ensure that they conform with provincial development plans, and after individual studies, where appropriate.

The Board has followed the policy of requiring municipal and/or provincial participation in these projects. The Board also believes that it is desirable to preserve flexibility in the degree and method of sharing in the financing of individual parks. In metropolitan areas, such as Halifax, Dartmouth, Saint John, Fredericton and Moncton, there is a need for development of general purpose, speculative industrial parks expected to attract a number of varied industries over a period of years. The Board has normally granted one-third of the total cost of developing parks of this type. Greater assistance has been given in areas where the costs would be peculiarly burdensome to the park authority, as at Amherst. At Point Edward, near Sydney, the park is federally owned and the Board has financed the first phase of development.

There are other cases, usually in rather small communities, where industrial development is based on the processing of a local resource, a situa-

tion somewhat similar to that met in areas dependent upon fish processing plants. The Board has considered that in suitable cases it should finance the larger part of the cost of basic services to these resource-processing industries. This was done at Woodstock, Hartland and Sussex in New Brunswick.

The Board's practice is that all assistance is covered by a formal agreement with the provincial government. In some cases, the facilities are owned and operated directly by a provincial agency, such as Industrial Estates Ltd. in Nova Scotia or the New Brunswick Development Corp. In others, the facilities are owned and operated by a municipality or a municipal industrial commission. The provincial government accepts the responsibility for ensuring that the parks are maintained and operated in the best interests of the people of the province.

The Board has committed financial assistance in the following centres: Saint John, N.B. — \$450,000; Fredericton, N.B. — \$400,000; Moncton, N.B. — \$400,000; Dorchester Point, N.B. — \$1.5 million; Milltown, N.B. — \$100,000; Woodstock, N.B. — \$275,000; Hartland, N.B. — \$125,000; Sussex, N.B. — \$337,000; Amherst, N.S. — \$350,000; Truro, N.S. — \$200,000; Dartmouth, N.S. — \$787,500; Halifax County, N.S. — \$560,000; Stellarton, N.S. — \$700,000; Point Edward, N.S. — \$3,170,000; Summerside, P.E.I. — \$150,000.

Capital Facilities for Applied Research

A further handicap to economic development in the Atlantic region has been lack of facilities and personnel to undertake industrial research to keep products and techniques abreast of technological change. Only the largest firms are able to finance their own research facilities; smaller companies must purchase these services or go without. The need for increased industrial research is a national problem, but it is more serious in the Atlantic region.

After consultation with the provincial governments and the relevant federal agencies, the Board concluded that support to the Nova Scotia Research Foundation and the New Brunswick Research and Productivity Council, the only provincial research organizations in the region, was the most practical way to provide these services to industry. To avoid unnecessary duplication of facilities or services, and to ensure wise expenditures of funds, detailed discussions were held with the two organizations and the interested federal agencies. It was agreed that the facilities would be used for research on problems in all four Atlantic Provinces.

A grant of \$2,350,000 was approved for the Nova Scotia Research Foundation, the bulk of which was earmarked for a laboratory at Dartmouth which will also serve as the headquarters of the Foundation. Construction of this building is well underway. Two other laboratories, for research on timber structures and ceramics, located on the campus of the Nova Scotia Technical College at Halifax, were nearing completion at the end of 1967-68. In addition, the Board last year approved a grant of \$50,000 for a modern ore-dressing pilot plant, which is also to be situated at the Technical College.

The New Brunswick Research and Productivity Council received a grant of \$1,887,179 for a laboratory building and equipment located on the campus of the University of New Brunswick at Fredericton. A further grant of \$50,000 is being made to equip a geochemical laboratory established by the provincial Department of Natural Resources.

Another regional problem is the lack of highly trained personnel required both by the provincial research organizations and by industry. Accordingly, after discussions with provincial and academic authorities, the National Research Council and the Economic Council of Canada, the Board agreed

to contribute to the improvement and extension of the post-graduate research facilities at the University of New Brunswick and Dalhousie University in Halifax. Grants of \$1.5 million are to be made to UNB for research buildings and equipment in the natural and social sciences, and \$2 million to Dalhousie towards the provision of an aquatron to study the marine and biological sciences.

The Board's total commitment for research facilities for both universities and the two provincial research organizations is \$7,837,179, of which \$2,332,-869 had been paid as of March 31, 1968.

Miscellaneous Projects

Strait of Canso Development, N.S.

Late in the fiscal year, after months of negotiations, several federal departments and agencies reached agreement with the Nova Scotia government and the British American Oil Co. Ltd. for the construction of a \$50 million, 60,000 barrel-a-day oil refinery at Point Tupper on Cape Breton Island, an industry that is expected to become the cornerstone of a large petrochemical complex. The federal government will assist the project through the Board, the Cape Breton Development Corp., the Department of Public Works and the Area Development Agency. The Board's contribution of \$4,395,000 will be used to finance a water supply system for the industrial complex and provide a grant representing half the cost of certain road and rail facilities to the industrial area.

Mapping and Land Registration

Also announced late in 1967-68 were Board grants of \$3,977,000 to assist the four provinces with a surveying, mapping and land registration program. The grants — \$1,446,000 to New Brunswick, \$1,008,000 to Prince Edward Island, \$923,000 to Nova Scotia and \$600,000 to Newfoundland — cover the years 1968-69 and 1969-70, but the complete program will extend over 10 to 15 years at an estimated cost of up to \$20 million. The Board indicated that if additional assistance were extended beyond the initial two-year period, it be on a cost-sharing basis with the provinces.

There is a pressing need for the mapping and land registration program if the economic development of the region is to proceed in a sound and planned way. Because of early haphazard and unplanned allocations of land, lack of fixed co-ordinates upon which to base land descriptions and maps, and a land title system that permits overlaps and gaps, land records are incomplete and totally inadequate for the needs of a modern, expanding economy. Replacing the costly and inefficient system of title searching and deed registration will be the Torrens System, in use in the United States, Ontario and the Western Provinces. Its principle is that land is permanently registered, permitting the registrar of titles to provide quickly and accurately the material facts of ownership and boundaries. An integral part of the new system will be one or more data banks for the storing of a wealth of information through use of computers. In addition to information on land titles,

the banks will record and store data on engineering services, such as the routes of highways, sewers, water and power lines, related to specific land markers. Detail of this type and the ability to relate it graphically is considered essential to any form of comprehensive land use planning.

Fund for Pollution Control

The Board has been particularly concerned with the problem of industrial pollution from existing plants and its detrimental effect on the economic development of the region. In 1965, the Board received approval for an amount of \$2 million for assistance to existing firms in the Atlantic region for the abatement of industrial water pollution on fresh water stretches of Atlantic rivers. The amount of assistance to an individual firm is based on a formula worked out by the Atlantic Regional Advisory Committee on Industrial Water Pollution, whereby the payment is related to the abatement of biochemical oxygen demand (B.O.D.) of plant effluent. Membership on the committee includes a representative from each provincial Water Authority, the Board and the federal Departments of Fisheries, National Health and Welfare, and Energy, Mines and Resources.

By the end of 1967-68, only two payments had been made from the anti-pollution fund. The first of these was to a New Brunswick meat packing firm; the second to a Prince Edward Island creamery. A number of other applications have been made in respect of pollution control programs underway by various firms.

The biochemical oxygen demand (B.O.D.) program provides assistance related to the reduction of plant effluent. The payment is not based on the capital cost of the facilities and represents a varying proportion of those costs. The fact that relatively few of the firms eligible under the program have come forward with pollution control plans reflects, in part, the financial problem faced by these companies in undertaking the necessary expenditures.

During the year, very significant progress was made by the Province of New Brunswick in plans for bringing pollution of the Saint John River under control. The Board expects to participate in this program from its special pollution fund, and also played a co-ordinating role in this joint federal-provincial-industry scheme.

Grant to Nova Scotia re Sydney Steel

In October 1967, Dominion Steel and Coal Corp. Ltd. announced its decision to close the Sydney steel plant, which, along with the coal industry,

provides the economic mainstay of industrial Cape Breton. Following the decision of the provincial government to purchase and operate the mill as a Crown Corporation, Parliament voted \$2 million to the Board as a grant to Nova Scotia to assist in defraying the operating expenses of the plant. At the same time, the government decided to turn over to the provincial government its claim for the \$2 million which the Board had previously invested in providing bulk-handling facilities for Dosco's use.

Special Assistance for Bell Island, Nfld.

Following the closing by Dosco of its iron-ore mining operations at Wabana, the sole industry on Bell Island, a federal interdepartmental committee headed by Dr. Weeks, Executive Director of the Board, was appointed by the Cabinet to investigate all aspects of the problem, in close consultation with the provincial government. After extensive efforts to have private interests reopen the mine failed, the committee concluded there was no possibility of re-establishing a viable economic base on the Island and recommended special assistance, over and above that available under existing programs, to encourage the workers and their families to move off the Island to areas where the employment opportunities were more favourable.

As part of this special assistance, Parliament voted to the Board a \$1.5 million fund to purchase, for \$1,500 each, the houses of Bell Islanders who agreed to relocate. The Board was to assume 75 per cent of the cost and the provincial government 25 per cent. By March 31, 1968, the Board had paid out \$234,000. Of the \$250,000 which Parliament voted to the Board to supplement existing manpower mobility programs, \$61,000 had been paid by the end of the fiscal year.

Production for Export Program

About 90 per cent of the more than \$18 million which the Board has committed for miscellaneous projects is accounted for by the five items listed above. The remaining 10 per cent is made up of a number of smaller projects. Specific mention need not be made of them, other than to state that most share the characteristic of relating to a particular local need for which there are few if any parallels elsewhere in the region.

An exception is the Production for Export Program. Involving initially the expenditure of \$45,000, it is significant for at least two reasons. First, it is one of the few projects undertaken by the Board outside the realm of infrastructure. Second, it exemplifies the kind of intra-government and inter-government co-ordination with private industry that must be encouraged and expanded if a concerted, co-ordinated effort is to be made on the problems of the region.

The first step in the program consists of providing technical assistance in seeking out firms with an export potential and reimbursing the provinces for 75 per cent of their costs of participating in the Eastern States Exposition at Springfield, Mass., in September 1968. The program will not be a "one-shot affair", but is to be part of a continuing contribution to the development of the region, complementing the promotional activities of the federal Department of Trade and Commerce. M. R. M. Dale, former Canadian Trade Commissioner in Boston, has been assigned to work with the Board, and other specialists from the department will be available on an advisory basis. It is the feeling of the Board and the provincial governments that exports from the region can be increased considerably by the tailoring of production to the demands of export markets, by adopting scientific marketing methods and by keeping abreast of technological change through increased research.

LONG TERM PLANNING

The Board's planning activities represent the federal government's first systematic effort in comprehensive regional planning. The basic aims of this activity are to identify the potential of each sector of the regional economy; to formulate policy recommendations for achieving this potential; to integrate the various sector studies into a single comprehensive and internally consistent plan for the regional economy; and to indicate the implications of the plan for employment, income and population. To tie the sector studies together, an input-output model of the regional economy is being used to show the inter-relationships between the various sectors, indicating how developments in any one sector may be expected to influence activity in any other sector. In addition to containing a comprehensive set of mutually consistent policy proposals for the region as a whole, the plan will lend itself to formulation of separate plans for each of the four Atlantic Provinces, prepared after detailed discussions with provincial officials.

The plan will serve as a guideline for the Board in making its recommendations on development projects. It will also provide a framework which will be of assistance to other federal agencies and provincial authorities in formulating their long-term development policies and the priorities to be attached to specific programs. The private sector, too, should find the plan of help by identifying areas for new investment. The Board authorized more than 20 separate studies in the preparation of its plan. Some of these were carried out by Board staff, some by other federal departments and agencies, and others by private consultants.

As was stated earlier, the Board's Planning Division was set up in the summer of 1965. The balance of that year was spent in elaborating a work program for the Division, recruiting staff, establishing liaison with federal and provincial government agencies, and reviewing the considerable amount of research that has been done on the Atlantic economy by other government agencies, private organizations and academics. By the spring of 1966 a series of studies was begun to fill gaps in information, a task that is continuing to the present.

The terms of reference for the Board's planning function as set out in the Act are expressed in general terms — "to prepare, in consultation with the Economic Council of Canada, an overall co-ordinated plan for the pro-

motion of the economic growth of the Atlantic region". This was interpreted by the Board to mean that the goal of economic policy for the region should be: to accelerate the rate of growth in output, income and employment in order to bring the region more into line in economic welfare and opportunity with the rest of Canada.

The development plan the Board is preparing is based on the following premises:

1. The primary emphasis of economic policy should be to achieve the maximum development of activity that is economically viable in the long run, without excluding short-run assistance to bring into operation enterprises judged capable of becoming viable. This implies building on the region's competitive cost advantages rather than propping up the traditional structure of industry.
2. Development policy and economic planning should be within a regional context.
3. The kind of development that should be encouraged should be evaluated not only in terms of its benefits to the region, but also its costs to the nation as a whole: regional planning should also be carried out in a national context.
4. To the extent that disparities cannot be adequately reduced by the promotion of economically viable activity, special supplementary measures may be justified.

During 1967-68 most of the sector studies were completed and analyzed by staff and then presented to the Board members for discussion and guidance. In October 1967, staff prepared a preliminary statement on the policy implications which were likely to emerge from the work of the Planning Division. This memorandum, subsequently updated several times, came to occupy an increasing amount of the Board's attention. It was the Board's intention during 1968-69 to publish various sector studies and prepare a preliminary development strategy for the region in consultation with the provincial governments and the other federal departments and agencies concerned.

TECHNICAL AND ECONOMIC SURVEYS AND STUDIES

The Board, whenever possible, utilizes the results of the research conducted by other government agencies, both federal and provincial. Where no government agency is in a position to carry out a project on behalf of the Board, it contracts with a research organization to have the job done. Generally, the Board's research projects are of two types: first, those which are carried out for a specific purpose and to meet an immediate need, such as an engineering study on the water supply for a fish plant or a survey of an area's industrial park needs; second, those which examine a sector or one aspect of the provincial or regional economy in order to develop long-range policies, the comprehensive study being made of the water resources of the region and the examination of the structure and function of urban centres in the region being but two examples.

There is a third type of research project in which the Board, while not participating financially, acts in a supervisory or co-ordinating capacity. An example is the Atlantic Provinces Integrated Transportation Study, a 12-volume report of the transportation problems of the region which was financed by the Department of Transport but largely supervised and co-ordinated by Board staff. Finally, in at least one important instance, the Board has undertaken research which led to more comprehensive investigations financed by other government agencies: the Atlantic Tidal Power Programming Board's studies into the engineering and economic feasibility of developing tidal power in the Bay of Fundy followed directly earlier studies by the ADB into foundation conditions in the Shepody Bay-Cumberland Basin and Minas Basin areas. A member of this Board is Dr. Weeks, the ADB's Executive Director.

Altogether, the Board has commissioned about 70 studies. A list of those completed or in the course of preparation is contained on pages 45-48 of this report.

Appendix I

AUDITOR GENERAL OF CANADA

Ottawa, June 28, 1968.

To: THE ATLANTIC DEVELOPMENT BOARD
THE MINISTER OF NATIONAL HEALTH AND WELFARE

I have examined the accounts and financial transactions of the Atlantic Development Board for the year ended March 31, 1968 in accordance with Section 18 of the Atlantic Development Board Act. My examination included a general review of the accounting procedures and such tests of the accounting records and other supporting evidence as I considered necessary in the circumstances.

The attached Statement of Expenditure has been prepared for the first time this year and is a summary of all financial transactions of the Board for the year with comparative figures for the previous year and cumulative totals to March 31, 1968. Supporting schedules provide details of Projects Approved and Cumulative Expenditure from the Atlantic Development Fund (Schedule 1), of the Trunk Highway Program Expenditure from Parliamentary Appropriations (Schedule 2) and of Planning, Programming, Professional and Technical Services and General Administration Expense (Schedule 3).

In my opinion, the Statement of Expenditure and the supporting schedules present fairly a summary of the financial transactions of the Board for the year ended March 31, 1968.

A. M. HENDERSON,
Auditor General of Canada

ATLANTIC DEVELOPMENT BOARD

Statement of Expenditure for the year ended March 31, 1968
 (with comparative figures for the year ended March 31, 1967
 and cumulative figures from the establishment of the Board
 on December 20, 1962 to March 31, 1968)

	1968	1967	Cumulative to March 31, 1968
<i>Program Expenditure</i>			
Atlantic Development Fund (Schedule 1)			
Power	\$ 7,395,541	\$21,614,734	\$46,456,583
Trunk highway program	1,280,579	2,705,303	9,643,341
Access roads	144,389	410,817	555,206
Water supply and/or sewage systems	3,766,376	2,077,162	6,956,884
Industrial park facilities	1,507,211	2,381,360	4,004,745
Research facilities	1,851,252	349,029	2,332,869
Miscellaneous projects	2,679,528	21,455	2,733,084
Sundry expenditure	3,552	7,100	14,374
(Note 1)	18,628,428	29,566,960	72,697,086
 Parliamentary appropriations of the Department of Transport			
Vote 112 of 1965-66 and Vote 95a of 1967-68			
Trunk highway program			
(Schedule 2)	19,283,085	8,556,812	29,935,344
Vote 100a (Note 2)			
Special housing assistance to			
residents of Bell Island	234,000	—	234,000
Mobility assistance to residents			
of Bell Island moving to			
other parts of Canada	61,004	—	61,004
Vote 92c			
Grant to the Government of Nova			
Scotia to assist in defraying the			
expenses of operating the former			
Dominion Steel and Coal			
Corporation Limited Steel Plant			
at Sydney, N.S.	2,000,000	—	2,000,000
	21,578,089	8,556,812	32,230,348
Total expenditure on programs, projects, etc.	40,206,517	38,123,772	104,927,434
 <i>Administration and Operation Expenditure</i>			
Planning, programming, professional			
and technical services and general			
administration (Schedule 3)	2,265,015	1,866,979	5,845,323
Total Expenditure	\$42,471,532	\$39,990,751	\$110,772,757

NOTES:

1. Authorized limit of the Atlantic Development Fund is \$150,000,000. Outstanding commitments at March 31, 1968 totalled \$51,971,768 (Schedule 1) leaving an uncommitted balance in the Fund of \$25,331,146.
2. The maximum amount remaining available under Department of Transport Vote 100a for assistance to residents of Bell Island amounted to \$1,454,996 at March 31, 1968.

Certified correct:

Approved:

E. P. WEEKS

I. M. MACKEIGAN

Executive Director

Chairman

I have examined the above Statement of Expenditure and related Schedules for the year ended March 31, 1968 and have reported thereon under date of June 28, 1968 to the Atlantic Development Board and the Minister of National Health and Welfare.

A. M. HENDERSON
Auditor General of Canada

Schedule 1

ATLANTIC DEVELOPMENT BOARD

**Statement of Projects Approved and Cumulative Expenditure from the Atlantic Fund
from the establishment of the Board on December 20, 1962 to March 31, 1968**

	<i>Projects Approved</i>	<i>Cumulative Expenditure to March 31, 1968</i>	<i>Outstanding Commitments</i>
<i>Power</i>			
Bay d'Espoir, Nfld. —			\$
Hydro-electric power development	\$20,000,000	\$20,000,000	
Mactaquac, N.B. —			
Hydro-electric power development	\$20,000,000	\$20,000,000	
Nova Scotia Power Commission —			
Thermal power plant at Trenton, N.S.	12,000,000	2,461,849	9,538,151
Power cable to link Prince Edward Island with mainland	4,300,000	63,043	4,236,957
Newfoundland and Labrador Power Commission — Conversion to 60 cycles	4,000,000	3,818,891	181,109
Maccan to Amherst, N.S. — Grant towards cost of power line	112,800	112,800	
	<hr/> 60,412,800	<hr/> 46,456,583	<hr/> 13,956,217
<i>Trunk Highway program</i>			
Province of New Brunswick	3,000,000	3,000,000	
Province of Newfoundland	3,000,000	3,000,000	
Province of Nova Scotia	3,000,000	2,643,341	356,659
Province of Prince Edward Island	1,000,000	1,000,000	
	<hr/> 10,000,000	<hr/> 9,643,341	<hr/> 356,659
<i>Access roads to selected fishing ports</i>			
Province of Prince Edward Island	675,000	555,206	119,794
<i>Water Supply and/or sewage Systems</i>			
Fortune, Harbour Grace, Port Union, Fermeuse and Isle aux Morts, Nfld.	2,934,000	1,232,396	1,701,604
Trepassey, Bay de Verde, Burgeo, Gaultois, St. Anthony, Englee and Twillingate, Nfld.	2,657,000	706,294	1,950,706
Mooring Cove, Nfld.	1,262,000	1,103,420	158,580
Long Harbour, Nfld. — Phosphorus Plant	1,250,000	78,878	1,171,122
Nackawic, N.B.	1,250,000		1,250,000

Schedule I (cont'd)

Dalhousie Area, N.B.	1,100,000		1,100,000
Shelburne, N.S.	890,000	49,139	840,861
Georgetown, P.E.I.	850,000	762,893	87,107
Alder Point, N.S.	833,000	23,566	809,434
Canso, N.S.	775,420	763,909	11,511
Black's Harbour, Wellington, Beaver Harbour, N.B.	690,000		690,000
Falmouth, N.S.	600,000		600,000
Florenceville, N.S.	565,000		565,000
Shippegan, N.B.	505,546	474,084	31,462
Middle East Pubnico, N.S.	487,000	29,500	457,500
Dildo South, Nfld.	477,000		477,000
Bonavista, Nfld.	292,000	269,941	22,059
North Rustico, P.E.I.	282,000	36,365	245,635
Woodstock, N.B.	275,000	248,471	26,529
Old Perlican, Nfld.	270,000	17,773	252,227
Lockeport, N.S.	255,000	30,610	224,390
East River in Lunenburg County, N.S.	250,000		250,000
Ramea, Nfld.	245,000	14,187	230,813
Riverport, N.S.	242,000	139,478	102,522
Lower East Pubnico, N.S.	220,975	204,399	16,576
Montague, P.E.I.	190,000	137,869	52,131
Port Mouton, N.S.	154,286	139,687	14,599
Newtown, Nfld.	150,000	131,602	18,398
Cheticamp, N.S.	140,000	95,873	44,127
Hartland, N.B.	125,000	120,894	4,106
Milltown, N.B.	100,000	100,000	
Grand Etang, N.S.	46,629	45,656	973
	20,363,856	6,956,884	13,406,972

Industrial Park Facilities

Point Edward, N.S.	3,170,000	1,005,687	2,164,313
Dorchester, N.B.	1,500,000	1,250,000	250,000
Burnside (Dartmouth), N.S.	787,500		787,500
Stellarton, N.S.	700,000	600,000	100,000
Lakeside, N.S.	560,000	209,984	350,016
Saint John, N.B.	450,000	222,656	227,344
Moncton, N.B.	400,000	88,039	311,961
Fredericton, N.B.	400,000		400,000
Amherst, N.S.	350,000	350,000	
Truro, N.S.	200,000	160,359	39,641
Summerside, P.E.I.	118,327	118,020	307
Sydney, N.S.	75,000		75,000
	8,710,827	4,004,745	4,706,082

Schedule 1 (cont'd)

Research Facilities

Financial assistance for new research laboratories, equipment, etc.			
Halifax — Dartmouth, N.S.	2,350,000	860,305	1,489,695
Dalhousie University Aquatron, N.S.	2,000,000		2,000,000
Fredericton, N.B.	1,887,179	1,448,539	438,640
University of New Brunswick, Fredericton, N.B.	1,500,000		1,500,000
Provincial Department of Natural Resources, N.B. — geochemical laboratory	50,000	24,025	25,975
Nova Scotia Technical College, Halifax, N.S.	50,000		50,000
	<hr/>	<hr/>	<hr/>
	7,837,179	2,332,869	5,504,310
	<hr/>	<hr/>	<hr/>

Miscellaneous Projects

Strait of Canso Development, N.S.	4,395,000		4,395,000
Map and Land registration	3,977,000		3,977,000
Bulk handling facilities at Dosco plant, Sydney, N.S.	2,001,301	2,000,650	651
Abatement of industrial water pollution	2,000,000	19,897	1,980,103
Assistance to Nova Scotia for settling-in assistance to industry	1,200,000		1,200,000
Highway, Long Harbour to Argentia-Placentia area, Nfld.	1,000,000	304,085	695,915
Assistance towards construction of causeway, Pictou County, N.S.	750,000		750,000
Confederation Centre, Charlottetown, P.E.I.	600,000	277,000	323,000
Assistance in construction of basic services for food processing, Sussex, N.B.	337,000		337,000
Port de Grave, Nfld.	100,000	6,057	93,943
Boglands clearing, Burin Peninsula, Nfld.	87,891	16,039	71,852
Provision of basic services, Dover Flour Mills, Halifax, N.S.	64,000		64,000
Repairs to marine railway, St. Anthony, Nfld.	60,000	60,000	
Causeway construction, Montague, P.E.I.	40,000	40,000	
Rail spur line, Summerside, P.E.I.	32,000		32,000
Water pollution metering equipment	10,000	9,356	644
	<hr/>	<hr/>	<hr/>
	16,654,192	2,733,084	13,921,108
	<hr/>	<hr/>	<hr/>
Sundry Expenditure	15,000	14,374	626
	<hr/>	<hr/>	<hr/>
	\$124,668,854	\$72,697,086	\$51,971,768

Schedule 2

ATLANTIC DEVELOPMENT BOARD

**Statement of the Trunk Highway Program Expenditure
from Parliamentary Appropriations cumulative to March 31, 1968**

	<i>Approved By the Governor in Council</i>	<i>Cumulative Expenditure To March 31, 1968</i>	<i>Outstanding Commitments</i>
(Note)			
Province of New Brunswick -----	\$16,500,000	\$12,119,390	\$ 4,380,610
Province of Newfoundland -----	16,500,000	8,441,315	8,058,685
Province of Nova Scotia -----	16,500,000	6,623,889	9,876,111
Province of Prince Edward Island -----	5,500,000	2,750,750	2,749,250
	<hr/>	<hr/>	<hr/>
	\$55,000,000	\$29,935,344	\$25,064,656

NOTE: The amounts approved by the Governor in Council represent the federal share of costs with respect to the second and third agreements entered into with the above-mentioned provinces under this Program for which funds were provided by Department of Transport Vote 112 of 1965-66 and Vote 95a. The federal share of costs approved by the Governor in Council in the amount of \$10,000,000, with respect to the first agreement has been disbursed from the Atlantic Development Fund (see Schedule 1). Outstanding commitments under the first agreement amounted to \$356,659 at March 31, 1968.

ATLANTIC DEVELOPMENT BOARD

**Statement of Administration and Operation Expense
for the year ended March 31, 1967**

(with comparative figures for the year ended March 31, 1967
and cumulative figures from the establishment of the Board
on December 20, 1962 to March 31, 1968)

	<i>1968</i>	<i>1967</i>	<i>Cumulative to March 31, 1968</i>
Planning, Programming and General Administration			
Salaries	\$ 583,174	\$ 437,601	\$ 1,440,829
Employee benefits	32,710	25,249	81,355
Travel and removal expenses	52,069	51,257	166,853
Accommodation	39,400	18,100	99,400
Accounting services	35,100	23,400	76,200
Office equipment and supplies	34,712	25,965	92,224
Telephone and telegraph	21,610	20,308	57,324
Other	28,900	11,224	59,985
Professional and Technical Services	1,437,340	1,253,875	3,771,153
Total Expense	\$ 2,265,015	\$ 1,866,979	\$ 5,845,323
Total Expense provided for by —			
Department of Transport Vote 90	\$ 2,190,515	\$ 1,825,479	\$ 5,669,723
Government departments which provided accommodation and accounting services without charge	74,500	41,500	175,600
	\$ 2,265,015	\$ 1,866,979	\$ 5,845,323

Addendum to Schedule 3

ATLANTIC DEVELOPMENT BOARD

**Expenditure on Technical and Economic Surveys and Studies
for the Year Ended March 31, 1968**

(With comparative figures for the year ended March 31, 1967 and cumulative figures from the establishment of the Board on December 20, 1962 to March 31, 1968).

	1968	1967	Cumulative to March 31, 1968
Study of demand for and supply of water resources in Newfoundland and Labrador -----	\$ 428,792	\$ —	\$ 428,792
Study of demand for and supply of water resources in Nova Scotia, New Brunswick and Prince Edward Island -----	418,189	—	418,189
Study of tourist industry in Newfoundland, New Brunswick and Nova Scotia -----	78,932	287,775	366,707
Study of structure and function of urban centres in Atlantic provinces -----	69,156	79,773	148,929
Study of water supplies in Alder Point, Ile Madame-St. Peters, Cape Sable Island and Digby Neck, N.S. -----	39,879	72,778	112,657
Study of the comparative advantage of agricultural enterprises in Nova Scotia, New Brunswick and Prince Edward Island -----	37,200	21,000	58,200
Study of the effects of the Northumberland Strait Causeway upon Prince Edward Island -----	34,178	—	34,178
Study of water supplies in Charlotte County and Caraquet areas of New Brunswick -----	33,613	85,956	119,569
Study of legal framework respecting water resources in Atlantic provinces -----	32,132	—	32,132
Layout and design of proposed water front industrial park at site of former Point Edward Naval Base, Cape Breton -----	20,143	16,846	36,989
Evaluation of the study of the water resources of the Atlantic provinces -----	27,408	—	27,408
Study of administrative framework of water resources in Atlantic provinces -----	19,961	—	19,961
Study of water supplies and needs in the St. Mary's Bay area, Newfoundland -----	17,988	—	17,988
Survey of water resources of North Rustico, Prince Edward Island -----	17,419	5,411	22,830

Addendum to Schedule 3 (cont'd)

Study of ground water resources in Nova Scotia	16,320	10,180	26,500
Comprehensive study of forestry in the Atlantic provinces	14,424	31,879	46,303
Updating of input and output study	12,142	—	12,142
Development plan for Ernest Harmon Air Base, Stephenville, Nfld.	10,000	30,000	40,000
Study of potential industrial sites in Halifax area ..	10,000	10,000	20,000
Study of industrial park needs of metropolitan area of St. John's, Nfld.	9,000	16,000	25,000
Periodic reports by Atlantic Provinces Economic Council	8,750	—	8,750
Study of evaluation of industrial potential of New-port plan	8,469	—	8,469
Study of Saint John Harbour Bridge Throughway complex	8,014	—	8,014
Study of education as a factor in the growth of Atlantic provinces	7,803	17,037	24,840
Survey of water supplies at Witless Bay, Nfld.	6,211	—	6,211
Study of special problems and proposals	6,119	8,318	14,437
Study of marketing possibilities for Sydney steel	5,000	—	5,000
Study of the economics of the fishing industry in the Atlantic provinces	5,000	—	5,000
Study of social strategy for economic development	10,000	—	10,000
Agriculture land mapping project	5,000	—	5,000
Study of the structure of the economy of the Atlantic region	3,408	5,853	9,261
Study of agriculture in Atlantic provinces	2,435	14,026	16,461
Office services	2,400	2,154	5,680
Preliminary review of the tourist industry in Newfoundland	1,016	6,984	8,000
Investigation of water supplies to fish processing plants and water resources survey at Trepassey, Nfld.	231	38,649	118,870
Investigation of water supply in Bay St. George, Stephenville, Nfld.	207	39,793	40,000
Economic survey of Bell Island, Nfld.	—	26,661	26,661
Study of water supplies and needs in Placentia, Nfld.	—	19,681	19,501

Addendum to Schedule 3 (cont'd)

Study of water resources in New Brunswick	—	21,163	21,163
Study of potash exploration in Nova Scotia	—	199,225	265,801
Investigation for a possible power site at Minas Basin, Bay of Fundy	—	14,675	70,000
Study of barriers to manpower mobility in economically lagging areas of Newfoundland, Labrador, Nova Scotia, New Brunswick and Quebec (cost shared with Department of Manpower and Immigration and Forestry and Rural Development)	—	35,000	35,000
Industrial opportunities study in Cape Breton, N.S.	—	30,000	32,000
Study and investigation of purification of salt water for use in fish processing plants	—	19,947	19,947
Study of industrial park needs of Edmundston, N.B.	—	15,000	15,000
Marketing study of selected steel products of Sydney, N.S.	—	12,776	12,776
Study of industrial park needs at various centres in New Brunswick and Nova Scotia	—	10,000	55,000
Study of industrial park needs in Charlottetown, P.E.I.	—	10,000	10,000
Study of manufacturing opportunities in the Atlantic region	—	7,700	7,700
Study of inter-industry flow of goods and services in Atlantic provinces	—	5,000	105,000
Public information consultant services	—	3,670	6,070
Study of development of Newfoundland economy since Confederation	—	2,000	7,000
Study of demand and supply for land in Atlantic provinces	—	—	50,000
Engineering investigations for deep water harbour, ore dock and ancillary facilities at Belledune Point, N.B. (Cost shared with Department of Public Works)	—	—	86,253
Study of trans-Atlantic container shipping operations from ports of Halifax, N.S. and Saint John, N.B.	—	—	23,976
Economic study of grain trade via Atlantic ports	—	—	25,000
Consultants services re power and natural resources	—	—	47,205
Water supply study at Come-by-Chance, Nfld.	—	—	12,800

Addendum to Schedule 3 (cont'd)

Study of waste products of food and beverages industries in Atlantic provinces	—	—	9,600
Beneficiation research program on Wabana iron ore, Bell Island, Nfld.	—	—	300,000
Foundation investigations for tidal power development in Upper Bay of Fundy, N.B.	—	—	100,000
Engineering investigation of suitable water supply system for fishing plant at Shippegan, N.B.	—	—	11,310
Industrial location study	—	—	5,841
Engineering and economic feasibility studies re submarine cable between Prince Edward Island and mainland	—	—	10,000
Preliminary study of economic aspects of effects on Atlantic ports of water navigation in St. Lawrence River and Gulf of St. Lawrence	—	—	10,000
Economic data, reports and statistics	—	—	5,000
Sundry projects for less than \$5,000 each	10,401	20,965	57,082
	—	—	—
	1,437,340	1,253,875	3,771,153

11 ELIZABETH II.

CHAP. 10

An Act to provide for the establishment of an
Atlantic Development Board.

[Assented to 20th December, 1962.]

HER Majesty, by and with the advice and consent of the Senate
and House of Commons of Canada, enacts as follows:

SHORT TITLE.

1. This Act may be cited as the *Atlantic Development*^{Short title.}
Board Act.

INTERPRETATION.

2. In this Act, Definitions.

- (a) "Atlantic region" means the region comprising the "Atlantic region," Provinces of New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland;
- (b) "Board" means the Atlantic Development Board "Board" established by section 3; and
- (c) "Minister" means such member of the Queen's Privy "Minister" Council for Canada as may from time to time be designated by the Governor in Council to act as the Minister for the purposes of this Act.

ATLANTIC DEVELOPMENT BOARD

3. A corporation is hereby established to be known as ^{Board}_{established.} the Atlantic Development Board, consisting of five members to be appointed by the Governor in Council as provided in section 4.

4. (1) Each of the members of the Board shall be appointed ^{of members.} to hold office for a term of five years, except that of those first appointed one shall be appointed for a term of three years and two shall be appointed for a term of four years.

(2) One of the members of the Board shall be appointed ^{Chairman.} to be the chairman thereof.

(3) A retiring chairman or other member of the Board is eligible for reappointment to the Board in the same or another capacity. ^{Eligibility for reappointment.}

Travelling
and living
expenses.

5. (1) The members of the Board shall serve without remuneration, but are entitled to be paid reasonable travelling and living expenses while absent from their ordinary place of residence in the course of their duties under this Act.

Honorarium
to chairman.

Notwithstanding subsection (1), the chairman of the Board may be paid such amount per annum as an honorarium as may be approved by the Governor in Council.

Quorum.

6. Three members constitute a quorum of the Board.

Vacancy.

7. A vacancy in the membership of the Board does not impair the right of the remainder to act.

Absence,
etc., of
chairman.

8. The Board may designate one of its members to be vice-chairman of the Board, who shall, in the event of the absence or incapacity of the chairman or if the office of chairman is vacant, act as chairman.

OBJECTS AND POWERS

Objects and
powers.

9. (1) The objects of the Board are to inquire into and report to the Minister upon measures and projects for fostering the economic growth and development of the Atlantic region of Canada, and, without limiting the generality of the foregoing, the Board may, in furtherance of its objects,

- (a) prepare on a systematic and comprehensive basis, and revise as required in the light of changing circumstances, an assessment of factors relevant to economic growth in the Atlantic region;
- (b) keep under constant review appropriate methods of furthering the sound economic development of the Atlantic region, whether such methods involve new measures and projects or the removal or mitigation of existing factors that may be considered to inhibit such development;
- (c) with respect to particular measures or projects that may be referred to it by the Minister, inquire into, assess and report to the Minister upon the feasibility of such measures or projects and the effect thereof in relation to the economy of the Atlantic region, and make recommendations to the Minister with respect to any such measures or projects that in the opinion of the Board would significantly contribute to the growth and development of the economy of the Atlantic region; and

(d) consider and report to the Minister upon any other matters that in the opinion of the Board may usefully be considered by it having regard to the need for a continuing sound economic development of the Atlantic region.

(2) The Board shall, to the greatest possible extent ^{Duty of co-operation.} consistent with the performance of its duties under this Act, co-operate with the National Economic Development Board, the National Productivity Council and all departments, branches and other agencies of the Government of Canada having duties related to, or having aims or objects related to those of the Board.

ORGANIZATION.

10. The Board shall meet at such times and places as it ^{Meetings.} deems necessary but shall meet at least once a year in the City of Ottawa.

11. (1) The Governor in Council may appoint an Ex-^{Executive Director.} executive Director of the Board, who shall hold office during pleasure and shall be paid such salary and expenses as are fixed by the Governor in Council.

(2) The Executive Director is the chief executive ^{Direction of work and staff.} officer of the Board and has supervision over and direction of the work and staff of the Board.

12. (1) The Board may, subject to the approval of the ^{By-laws.} Governor in Council, make by-laws for the regulation of its proceedings and generally for the conduct of its activities, including the establishment of advisory and other committees of the Board.

(2) Any by-law made pursuant to subsection (1) ^{Advisory committees.} establishing an advisory committee of the Board may provide for the membership thereon of persons other than members of the Board, in addition to members of the Board.

13. (1) The Board may

^{Appointment of staff.}

(a) appoint such officers and employees as are necessary for the proper conduct of the work of the Board; and

(b) prescribe the duties of such officers and employees ^{Salaries and expenses of staff.} and, subject to the approval of the Treasury Board, prescribe the conditions of their employment.

(2) The officers and employees of the Board appointed as provided in subsection (1) shall be paid such salaries and ex-

penses as are fixed by the Board with the approval of the Treasury Board.

Technical
and special
advisors.

14. The Board may engage on a temporary basis or for any period of not more than two years the services of persons having technical or specialized knowledge of any matter relating to the work of the Board, to advise and assist the Board in the performance of its duties under this Act, and with the approval of the Treasury Board may fix and pay the remuneration of such persons.

Superannua-
tion.

15. (1) The Executive Director and the officers and employees of the Board appointed as provided by subsection (1) of section 13 shall be deemed to be employed in the Public Service for the purposes of the *Public Service Superannuation Act*, and the Board shall be deemed to be a Public Service corporation for the purposes of section 23 of that Act.

Application of
*Government
Employees
Compensation
Act.*

(2) The *Government Employees Compensation Act* applies to the Executive Director and the officers and employees of the Board appointed as provided in subsection (1) of section 13 and, for the purposes of that Act, such persons shall be deemed to be employees in the service of Her Majesty.

Not agent
of Her
Majesty.

16. The Board is not an agent of Her Majesty and, except as provided in section 15, the members, Executive Director and staff of the Board are not part of the public service.

FINANCIAL.

Appropria-
tions.

17. All amounts required for the payment of salaries and other expenses under this Act including expenses of administration shall be paid out of moneys appropriated by Parliament for the purpose.

Audit.

18. The accounts and financial transactions of the Board shall be audited annually by the Auditor General, and a report of the audit shall be made to the Board and the Minister.

REPORT TO PARLIAMENT.

Annual
report to
be made.

19. The chairman of the Board shall, within three months after the termination of each fiscal year, transmit to the Minister a statement relating to the activities of the Board for that fiscal

year, including the financial statements of the Board and the Auditor General's report thereon, and the Minister shall cause such statement to be laid before Parliament within fifteen days after the receipt thereof or, if Parliament is not then sitting, on any of the first fifteen days next thereafter that Parliament is sitting.

12 ELIZABETH II

CHAP. 5

An Act to amend the Atlantic Development Board Act
[Assented to 31st July, 1963.]

1962-63, c. 10. **H**ER Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:

1. Section 2 of the *Atlantic Development Board Act* is amended by striking out the word "and" at the end of paragraph (b) thereof and by adding thereto, immediately after paragraph (b) thereof, the following paragraph:

"Fund" "(ba) "Fund" means the Atlantic Development Fund established by section 16; and"

2. (1) Sections 3 and 4 of the said Act are repealed and the following substituted therefor:

Board established.

3. (1) A corporation is hereby established to be known as the Atlantic Development Board, consisting of eleven members to be appointed by the Governor in Council as provided in section 4.

Constitution of membership.

(2) The membership of the Board shall be constituted in such a manner as to reflect the economic structure of the Atlantic region.

Appointment of members.

4. (1) Each of the members of the Board shall be appointed to hold office for a term of three years, except that of those first appointed four shall be appointed for a term of one year and four shall be appointed for a term of two years.

Chairman.

(2) The Governor in Council shall designate one of the members to serve as chairman of the Board during pleasure.

Eligibility for re-appointment.

(3) A person who has served two consecutive terms as a member of the Board is not, during the twelve month period following the completion of his second term, eligible for reappointment."

(2) A person who, at the coming into force of this Act, held office under the *Atlantic Development Board Act* as a

member of the Atlantic Development Board shall be deemed to have been appointed as a member of the Board under this Act

- (a) in the case of the person who at the coming into force of this Act held the office of chairman of the Board, for a term of two years, and
- (b) in any other case, for a term of one year.

(3) The term of each of the persons first appointed to the Atlantic Development Board after the coming into force of this Act and the term of each of the persons referred to in subsection (2) shall be calculated as if such term had commenced on the 24th day of January, 1963.

3. Section 6 of the said Act is repealed and the following substituted therefor:

"6. A majority of the members constitutes a quorum of ^{Quorum.} the Board."

4. The said Act is further amended by adding thereto, immediately after section 8 thereof, the following section:

"8A. (1) The Board, is for all purposes of this Act, an ^{Board agent} _{of Her} agent of Her Majesty, and its powers under this Act may be ^{Majesty.} exercised only as an agent of Her Majesty.

(2) Subject to the approval of the Governor in ^{Contracts} Council, the Board may, on behalf of Her Majesty, enter into contracts in the name of Her Majesty or in the name of the Board.

(3) Property acquired by the Board is the property ^{Property.} of Her Majesty and title thereto may be vested in the name of Her Majesty or in the name of the Board.

(4) Actions, suits or other legal proceedings in respect of any right or obligation acquired or incurred by the Board on behalf of Her Majesty, whether in its name or in the name of Her Majesty, may be brought or taken by or against the Board in the name of the Board in any court that would have jurisdiction if the Board were not an agent of Her Majesty."

5. Section 9 of the said Act is repealed and the following substituted therefor:

"9. (1) The objects of the Board are to inquire into and ^{Objects and} powers report to the Minister upon programs and projects for fostering the economic growth and development of the Atlantic

region of Canada, and to consider, report and make recommendations to the Minister concerning programs and projects not involving the use of the Fund and programs and projects involving the use of the Fund; and without limiting the generality of the foregoing, the Board may, in furtherance of its objects,

- (a) prepare, in consultation with the Economic Council of Canada, an overall co-ordinated plan for the promotion of the economic growth of the Atlantic region;
- (b) keep under constant review appropriate methods of furthering the sound economic development of the Atlantic region, whether such methods involve new programs and projects or the removal or mitigation of existing factors that may be considered to inhibit such development;
- (c) with respect to particular programs or projects that may be referred to it by the Minister or that the Board may on its own initiative investigate, inquire into, assess and report to the Minister upon the feasibility of such programs or projects and the effect thereof in relation to the economy of the Atlantic region, and make recommendations to the Minister with respect to any such programs or projects that, in the opinion of the Board, will contribute to the growth and development of the economy of the Atlantic region; and
- (d) with the approval of the Governor in Council, enter into agreements with
 - (i) the government of any province comprised in the Atlantic region or the appropriate agency thereof, or
 - (ii) any other person, respecting the use of the Fund in financing or assisting in financing the undertaking and the carrying out of particular programs or projects described in subsection (1) of section 16.

Duty of
co-operation.

(2) The Board shall, to the greatest possible extent consistent with the performance of its duties under this Act, consult and co-operate with the Economic Council of Canada

and all departments, branches and other agencies of the Government of Canada having duties related to, or having aims or objects related to those of the Board."

6. Section 16 of the said Act is repealed and the following heading and section substituted therefor:

"ATLANTIC DEVELOPMENT FUND

16. (1) Subject to subsection 4, the Minister of Finance may, on the recommendation of the Minister, pay to the Board out of the Consolidated Revenue Fund such amounts as are from time to time required by the Board for the purpose of financing or assisting in financing the undertaking and the carrying out of programs and projects that, in the opinion of the Board, will contribute to the growth and development of the economy of the Atlantic region and for which satisfactory financing arrangements are not otherwise available.

(2) There shall be a special account in the Consolidated Revenue Fund to be known as the Atlantic Development Fund, to which shall be credited all amounts paid by the Minister of Finance to the Board under subsection (1) and to which shall be charged all payments in respect of programs or projects described in that subsection.

(3) No payments may be made by the Minister of Finance to the Board under subsection (1) except in respect of a program or project described in that subsection that has been approved by the Governor in Council.

(4) The total of all amounts that may be paid by the Minister of Finance to the Board under subsection (1) and credited to the Atlantic Development Fund is one hundred million dollars."

7. Section 17 of the said Act is repealed and the following substituted therefor:

17. All expenditures under this Act including amounts required for the payment of salaries, technical and economic surveys and other expenses including expenses of administration, except any amounts described in subsection (1) of section 16, shall be paid out of moneys appropriated by Parliament therefor."

8. This Act shall come into force on a day to be fixed by proclamation of the Governor in Council.

14-15 ELIZABETH II

CHAP. 31

An Act to amend the Atlantic Development Board Act.

[Assented to 11 July, 1966.]

1962-63, c. 10; 1963, c. 5.
H^{ER} Majesty, by and with the advice and consent of the Senate
and House of Commons of Canada, enacts as follows:

1963, c. 5.
s. 4.
1. Subsection (2) of section 8A of the *Atlantic Development Board Act* is repealed and the following substituted therefor:

Contracts.
“(2) The Board may, on behalf of Her Majesty, enter into contracts in the name of Her Majesty or in the name of the Board.”

1963, c. 5.
s. 5.
2. Paragraph (d) of subsection (1) of section 9 of the said Act is repealed and the following substituted therefor:

“(d) enter into agreements with the government of any province comprised in the Atlantic region or the appropriate agency thereof, subject to approval thereof by the Governor in Council, or enter into agreements with any other person, providing for

- (i) the undertaking by the Board of any programs or projects that, in the opinion of the Board, will contribute to the growth and development of the economy of the Atlantic region and for which satisfactory financing arrangements are not otherwise available,
- (ii) the joint undertaking by the Board and the province or agency thereof or person of programs or projects described in subparagraph (i), or
- (iii) the payment by the Board to the province or agency thereof or person of contributions in respect of the cost of programs or projects described in subparagraph (i).”

3. The said Act is further amended by adding thereto, immediately after section 9 thereof, the following section:

"9A. An agreement entered into pursuant to paragraph (d) of subsection (1) of section 9 shall, where appropriate, specify the respective proportions of the revenues from any program or project to which the agreement relates that are to be paid to the Board and the province or agency thereof or person."

4. (1) Section 16 of the said Act is repealed and the following substituted therefor:

"16. (1) There shall be a special account in the Consolidated Revenue Fund to be known as the Atlantic Development Fund.

(2) There shall be credited to the Fund, in addition to the amounts credited thereto pursuant to subsection (1) of section 16A, all revenues of the Board under agreements entered into pursuant to paragraph (d) of subsection (1) of section 9 and there shall be paid out of the Consolidated Revenue Fund and charged to the Fund all expenditures under agreements entered into pursuant to paragraph (d) of subsection (1) of section 9.

(3) No payment shall be made out of the Consolidated Revenue Fund under this section in excess of the amount of the balance to the credit of the Fund.

16A. (1) Subject to subsection (2), the Minister of Finance may, on the recommendation of the Minister, credit to the Fund out of the Consolidated Revenue Fund such amounts not exceeding in the aggregate one hundred and fifty million dollars as are from time to time required by the Board under agreements entered into pursuant to paragraph (d) of subsection (1) of section 9.

(2) No amount may be credited by the Minister of Finance to the Fund under subsection (1) in respect of programs or projects described in an agreement entered into under paragraph (d) of subsection (1) of section 9 with a province or agency thereof, unless the agreement has been approved by the Governor in Council.

(2) For the purpose of section 16A of the said Act as enacted by this section, all amounts credited or charged to the

Atlantic Development Fund pursuant to section 16 of the said Act before the coming into force of this Act shall be deemed to have been credited or charged, as the case may be, to the Atlantic Development Fund pursuant to sections 16 and 16A of the said Act as enacted by this section.

atlantic development board

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ATLANTIC DEVELOPMENT BOARD

*Annual Report for the fiscal year
1968-69*

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MINISTER OF REGIONAL ECONOMIC EXPANSION

TO HIS EXCELLENCY THE RIGHT HONORABLE ROLAND MICHENER,
Governor General and Commander-in-Chief of Canada

MAY IT PLEASE YOUR EXCELLENCY:

I have the honour herewith, for the information of Your Excellency and the Parliament of Canada, to present the Annual Report of the Atlantic Development Board and the financial statements of the Board for the fiscal year 1968-69.

Respectfully submitted,

Minister of Regional Economic Expansion

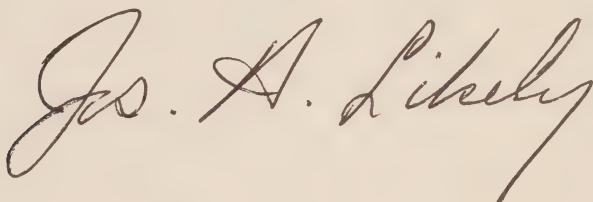
THE HONOURABLE JEAN MARCHAND, M.P.,
Minister of Regional Economic Expansion,
Ottawa, Ont.

SIR:

I submit herewith the Annual Report of the Atlantic Development Board and the financial statements of the Board for the fiscal year 1968-69.

I have the honour to be, Sir,

Your obedient servant,

A handwritten signature in cursive ink, appearing to read "Jas. A. Likely".

Vice-Chairman

TABLE OF CONTENTS

	PAGE
Introduction.....	9
Establishment of the Board.....	12
The Board's Principles of Operation.....	16
The Board's Long-Term Planning Activities.....	19
1968-69 in Review.....	24
Programs and Projects 1963-69.....	28
Highway Development.....	29
New Brunswick.....	30
Nova Scotia.....	31
Newfoundland.....	31
Prince Edward Island.....	32
Electric Power Development.....	34
Mactaquac Hydro-Electric Power Project.....	34
Bay d'Espoir Hydro-Electric Power Project.....	34
Frequency Standardization in Newfoundland.....	35
Trenton Thermal Electric Power Station.....	36
Prince Edward Island-New Brunswick Power Cable.....	36
Industrial Water Supplies.....	37
Applied Research and University Facilities.....	40
Industrial Parks and Sites.....	43
Miscellaneous Projects.....	45
Mapping and Land Registration.....	45
Production for Export Program.....	46
Strait of Canso Development.....	47
Fund for Pollution Control.....	47
Assistance for Sydney Steel.....	48
Special Assistance for Bell Island, Nfld.....	48
Potash Exploration in Nova Scotia.....	49
Technical and Economic Surveys and Studies.....	50
The Board as Co-ordinator.....	52
Postscript.....	54
Appendix I	
Auditor General's Report.....	56
Appendix II	
Atlantic Development Board Act.....	69
Appendix III	
First Amendment to Atlantic Development Board Act 1963.....	75
Appendix IV	
Second Amendment to Atlantic Development Board Act 1966.....	79
Appendix V	
Members of the Atlantic Development Board 1963-69.....	83

ATLANTIC DEVELOPMENT BOARD

Annual Report 1968-69

INTRODUCTION

On April 1, 1969, with the coming into force of Bill C-173—the Government Organization Act, 1969—the Department of Regional Economic Expansion was established. Creation of the department and its absorption of the various federal regional development programs which had grown up in recent decades, but particularly during the Nineteen Sixties, was the most important step ever taken by the federal government to deal with the persistent and deep-rooted problem of regional economic disparity, a problem which, it was universally recognized, could endanger the existence of Canada.

The reasons for the establishment of the Department of Regional Economic Expansion were two-fold: first, regional development was a matter of top priority for the government and the need for a more massive effort to promote it was acknowledged; second, it was agreed that in order to make the most efficient use of the material and human resources available, a single department with comprehensive responsibility for planning and co-ordinating action was required.

Stemming from these considerations was the decision to repeal the Atlantic Development Board Act and to transfer the Board's administrative responsibilities to the new department. Other programs absorbed into the structure of the department included the Area Development Agency (ADA), the Fund for Rural Economic Development (FRED), the Agricultural and Rural Development Act (ARDA) and the Prairie Farm Rehabilitation Act (PFRA). Although the Atlantic Development Board as such disappeared, the legislation established the Atlantic Development Council as an advisory body to the Minister.

Named Minister of Regional Economic Expansion was Hon. Jean Marchand, who had been appointed Minister of Forestry and Rural Development pending passage of the legislation establishing the new department.

Responsibility for the ADB and the various other regional development programs passed to Mr. Marchand on July 12, 1968, the date that planning for the new department began.

While the precise form of the department was still taking shape, Mr. Marchand outlined, during an address to the Atlantic Provinces Economic Council, the evolution of the federal government's involvement in regional development.

Beginning soon after Confederation and lasting well into the Twentieth Century, the emphasis of federal policy was on national economic development. There was an underlying assumption that the development of a unified market economy held together by regional specialization and east-west trade would almost automatically result in all regions sharing as fully as possible in the growth and prosperity of the Canadian economy.

The Great Depression of the Nineteen Thirties shattered this assumption by exposing the fiscal weaknesses of the poorer provinces. These were documented by the Rowell-Sirois Commission, which advanced the concept that the Canadian fiscal system should make it possible for every province to provide for its people services of average Canadian standards, without the necessity of imposing heavier than average taxes. Implemented since the Second World War through increasingly broader fiscal equalization formulae, these transfer payments from the federal government have enabled the poorer provinces, especially the Atlantic Provinces, to make rapid advances in building up the scale and scope of their public services, although these still lag behind those of the richer provinces.

The fiscal equalization system Mr. Marchand termed Phase One in federal regional policy. The weakness of these arrangements was that they could not and did not attack the underlying causes of disparities, the nature, extent and implication of which were being documented with increasing insight and precision. Concomitant with the fiscal approach, direct federal participation, in co-operation with provincial governments, was considered necessary.

Accordingly, Phase Two was started. The federal responses were many and varied, each program and agency being aimed at a specific aspect of the problem of regional disparity. In recognition of the particularly severe difficulties of the Atlantic Provinces, the Atlantic Development Board was set up to supplement the activities of other federal departments and agencies with programs and projects for which financial assistance was not otherwise available, and to prepare an overall plan for the development of the region; the Area Development Agency was created to give cash grants to manufacturing or processing industries locating in areas of high unemployment; the

Agricultural and Rural Development Agency and its offshoot, the Fund for Rural Development, were given responsibility for planning and carrying out comprehensive rural development programs; the Cape Breton Development Corporation was established to operate Cape Breton's ailing coal industry and promote alternative economic opportunities on the island.

Each of these programs was given what seemed to be fairly distinct and specific terms of reference, although it was recognized from the beginning that close and continuing co-operation would be needed if they were to avoid duplicating each other's efforts. But as Mr. Marchand pointed out, "With the best will in the world, one cannot choose the right priorities and get the most effective action when there are four or five separate agencies reporting to four or five different ministers." All concerned, he said, had tried to avoid duplication and inconsistency, but they could not succeed completely, nor could they effect the required "comprehensive structuring of government action to regional needs."

Consequently, Phase Three—the establishment of a single department responsible for regional development—followed.

This report will relate how one agency, the Atlantic Development Board, carried out its parliamentary mandate.

ESTABLISHMENT OF THE BOARD

Following the Second World War, the economic prosperity enjoyed by the Atlantic Provinces during the hostilities ended abruptly and the region began to settle into the economic stagnation which had been its lot continually since Confederation. The wartime boom proved transitory, as industries established to feed the nation's war needs, such as shipbuilding and aircraft manufacturing, quickly slipped into financial difficulty when defence orders slowed to a trickle. Older industries, including coal, steel, lumbering and agriculture, their inherent problems masked by the artificial and distorted demands of wartime, found it difficult to compete in a peacetime economy. Cut off by distance from the major markets of Central Canada, these industries could no longer attract the capital that would enable them to participate in the technological revolution that was transforming industry in the rest of the country.

Out-migration, particularly of the younger, better educated people, for decades an inexorable fact of life in the Atlantic Provinces, continued as demands for manpower grew in Central Canada. Per capita income in the region was only two-thirds the national average and in danger of going even lower as prosperity increased in other regions. Unemployment was consistently half as high again as the national average, and seasonal unemployment frequently rose to twice the Canadian average.

The indices of disparity became more refined and better publicized. They showed that investment in social and business capital lagged well behind the rest of Canada. Average per capita educational attainment was lower in the region than elsewhere. The skills of the work force were similarly deficient. Out-migration had produced a distortion in the age composition of the population; the Atlantic Provinces had a higher proportion of its people in the under-16 and over-65 age groups. The lack of secondary industry meant that, compared with the rest of Canada, few women participated in the work force and a higher than average number of men were engaged in low productivity, primary industries.

What seemed to be at work in the region was a veritable complex of economic retardation in which all the elements of cause and effect were interacting in mutual reinforcement, rendering partial and piecemeal measures largely ineffective.

In 1954, in an effort to stimulate new economic activity, the Atlantic Provinces Economic Council was formed. A non-profit, non-political organization composed primarily of businessmen, APEC pioneered in measuring the nature and extent of the Atlantic Provinces' economic problems. Equally important, it provided a forum for debating regional economic issues and bringing these forcefully to the attention of governments, federal and provincial. One of APEC's early recommendations was the formation by the federal government of a capital projects commission to remedy the region's shortcomings in what had come to be known as social capital or infrastructure. In this, APEC was joined by other organizations and individuals in the region, among the most prominent being Brigadier Michael Wardell, publisher of the Atlantic Advocate and the Fredericton Daily Gleaner. At the federal level, the 1957 report of the Royal Commission on Canada's Economic Prospects recommended federal government assistance to improve the social capital structure of the Atlantic Provinces.

The Atlantic Development Board Act was introduced in the House of Commons on Dec. 4, 1962, by Hon. Hugh John Flemming, the Minister of National Revenue and former Premier of New Brunswick. It received Royal Assent on Dec. 20, with Mr. Flemming being designated by the Governor in Council as the Board's Minister.

The Act, text of which constitutes Appendix II of this report, established the Atlantic Development Board as a body corporate of five private citizens who were to serve without remuneration, other than travelling expenses. It also provided for the appointment of an Executive Director and other staff as deemed necessary. The Act required the Board "to inquire into and report to the Minister upon measures and projects for fostering the economic growth and development of the Atlantic region of Canada."

The appointment of the Board members followed on Jan. 24, 1963: Brigadier Wardell, Chairman; Frank Sobey, Stellarton, N.S.; Melvin McQuaid, Q.C., Souris, P.E.I.; Donat Lalande, Moncton, N.B.; and Fred W. Ayre, St. John's, Nfld.

The names, addresses and terms of the 21 persons who served as members of the Board from its inception to March 31, 1969, are listed in Appendix V.

The first of the Board's eventual 31 meetings was held Feb. 2, 1963, at Halifax, N.S. The first project considered was the Minister's request that the Board carry out a broad survey of winter navigation and its effects on ports in the Atlantic Provinces. Thus began the Board's close involvement in the transportation problems of the region, a concern which gradually was reflected in transportation becoming the largest single item of Board expenditure.

On March 1, Dr. E. P. Weeks, born at Mount Stewart, P.E.I. and an Economics graduate of Mount Alison and Oxford universities, was named Executive Director. The following senior staff appointments were made soon after: F. J. Doucet, a native of Grand Etang, N.S., Senior Economist; Miss Catherine Simcock, a native of Fredericton, N.B., Economist; C. P. Russell, a native of Bay Roberts, Nfld., Secretary; and Dr. G. C. Monture, one of Canada's most eminent mining engineers, Consultant. Dr. Weeks remained Executive Director throughout the Board's existence. Following reorganization of the Board staff in 1965 into Programming, Planning and Administrative divisions, Mr. Doucet became Director of Programming, a post he retained until March 1, 1968, when he resigned to become Vice-President of the Industrial Development Division of the newly established Cape Breton Development Corporation. He was succeeded by Miss Simcock. Mr. Russell remained as Secretary and Director of Administration until July 15, 1968, when he was appointed Chairman of the Newfoundland Fishermen's Loan Board. Dr. Monture acted as Consultant to the Board until repeal of the Act.

The offices of the Board were established at 71 Bank Street, Ottawa, later moving to 396 Cooper Street, and finally, in preparation for the establishment of the Department of Regional Economic Expansion, to the Sir Guy Carleton Building, 161 Laurier Avenue West.

The Board, as originally constituted, held only two meetings. The new government of Prime Minister Lester Pearson, which had taken office April 22, 1963, made a fundamental change in the nature of the Board and on July 31 an amendment to the Act was passed. This amendment, reproduced as Appendix III, established a \$100 million Atlantic Development Fund to be used to finance programs and projects that would contribute to the development of the region's economy and for which satisfactory financing arrangements were not otherwise available. Two other major changes were made: the membership of the Board was increased from five to 11, with members being limited to two consecutive terms; and the Board was given responsibility for preparing, in consultation with the Economic Council of Canada, "an overall co-ordinated plan for the promotion of the economic growth of the Atlantic region."

(A second amendment to the Act, passed in 1966 and printed herein as Appendix IV, increased the Atlantic Development Fund to \$150 million. Between 1965 and 1968 Parliament voted to the Board an additional \$58,750,000 in four special appropriations, bringing total funds under the Board's administration to \$208,750,000.)

On Aug. 2, 1963, six additional Board members were appointed: Ian M. MacKeigan, Q.C., Halifax, N.S., succeeded Brigadier Wardell as Chair-

man, a post he was to fill with great distinction and devotion for five and one-half years, until his retirement Jan. 24, 1969; Albert M. Martin, Corner Brook, Nfld., who served as Vice-Chairman for four years following expiration of Brigadier Wardell's term on Jan. 24, 1965; Robert C. Eddy, Bathurst, N.B.; Captain Maxwell Burry, Glovertown, Nfld.; Carl F. Burke, Charlottetown, P.E.I.; and Stephen Dolhanty, Glace Bay, N.S.

Thus, when the Board met at Halifax on Aug. 6 to map out its new course as an administrative as well as an advisory agency, it had assumed the form it was to retain throughout its existence. At that meeting the Board met for the first time its new Minister, Hon. J. W. Pickersgill, the senior Cabinet representative for the Atlantic region, and for the next four years its strong and able advocate in Parliament and the government.

THE BOARD'S PRINCIPLES OF OPERATION

The Act's provision that the Board could, on the recommendation of the Minister, finance or assist in financing programs and projects "for which satisfactory financing arrangements are not otherwise available" carried several implications which helped to determine its principles of operation:

— Functioning outside the regular departmental structure, the Board was to supplement the activities of other federal departments and agencies in the Atlantic region. While it was to study and make recommendations to the Minister concerning all aspects of the region's economy, as an administrative agency with spending powers it was to act as a "gap-filler". This meant that other departments and agencies were to carry on their regular programs in the Atlantic region, thereby helping to ensure that the Board's funds would be used as intended—as special assistance to a special region to cope with special problems.

— The Board's "gap-filling" was circumscribed both by the amount of the funds voted by Parliament and by overall government policy. This was illustrated by Mr. Pickersgill when he told the House of Commons on June 18, 1963: "I do not think there is any doubt that (The Fundy tidal power project) will be investigated by the Board, but I do not think for a moment that a project as large as this will be undertaken by the Board in the ordinary course of its operations. An undertaking of that magnitude would be so important that I am sure that any government wishing to support it would want to go to Parliament to ask for authority on its own merits as a separate undertaking. I can envisage the Board investigating the feasibility of the undertaking, but the Board itself, with the capital fund available to it, could not possibly attempt a project of that magnitude, nor is there any thought that they would." (The Board later commissioned studies, costing \$170,000, into foundation conditions at possible Fundy power sites, the findings of which led the federal government, in co-operation with the governments of Nova Scotia and New Brunswick, to establish the Atlantic Tidal Power Programming Board to undertake complete economic and engineering feasibility studies of the project. A final report is expected during 1969-70. A member of the programming board was Dr. Weeks, Executive Director of the ADB.)

— Although all projects recommended by the Board had to receive the approval of the Minister and Treasury Board, in practice most of the Board's

recommendations were accepted. During its six years the Board considered a total of 257 applications for funds. Of these, the Board recommended 133 for assistance, of which 125 were accepted by the government, only eight being rejected. Eighty-one were rejected by the Board and 43 others were otherwise disposed of, either by being dropped entirely or by being referred to some other branch of government.

— Its “gap-filling” function meant that the Board inevitably would be dealing in areas of provincial or joint federal-provincial jurisdiction. Thus, close co-operation with provincial authorities was necessary in all phases of the Board’s work. In the interests of flexibility, no formal procedure for bringing projects to the attention of the Board was adopted, but the practice was followed throughout the Board’s existence of consulting the provincial government concerned before taking action on specific projects. Each of the provinces designated senior ministers to act as liaison officers and less formal contact was continuously maintained with provincial officials. In this way, disagreements and conflicts of interests were kept to a minimum. But avoidance of conflict and observance of the constitutional realities were only part of the reason why establishment of close relations with the provinces was necessary. The greater part of the Board’s project involved some element of provincial cost-sharing, with the provinces carrying out the construction. But even when the Board financed the entire project and carried out construction, the completed works were turned over to the provinces without charge. And in those instances when the Board assisted a municipally owned project, the agreements were made with the provinces which then made their own arrangements with the municipalities.

— Because of its unique position as a federal board concerned exclusively with the economy of the Atlantic region, the Board quickly found itself being called upon by other departments and agencies to co-ordinate measures to deal with inter-departmental problems. Its “gap-filler” role also dictated that the Board be fully acquainted with the programs of other departments in the region. Co-operation with federal agencies was further maintained through the Board’s making extensive use, whenever possible, of the experts and facilities of federal departments. This was reflected in the small staff employed by the Board throughout its six years: 1963-64, four professional and four supporting personnel; 1964-65, seven professional and eight supporting; 1965-66, 15 professional and 21 supporting (an increase largely due to establishment of the planning division); 1966-67, 27 professional and 29 supporting; 1967-68, 32 professional and 35 supporting; 1968-69, 35 professional and 36 supporting.

— Its “gap-filler” role made the Board a convenient vehicle for administering other special assistance programs to the region. Parliament voted a

total of \$55 million to the Board to assist the Atlantic Provinces with trunk highway development, \$2 million to assist Nova Scotia with the Sydney steel plant, and \$1,750,000 to assist Newfoundland with a special housing and mobility program for residents of Bell Island. When there were delays in the signing of a comprehensive development plan for Prince Edward Island, the Board, at the request of the province and the federal government, extended assistance of \$2,070,000 from the Atlantic Development Fund for projects which both governments had agreed were to be included under the plan.

One of the earliest and most fundamental decisions facing the Board was whether to proceed with development projects before the preparation of an overall co-ordinated plan for the region. The decision—to proceed—was based upon a number of practical considerations.

First, there was a pressing and obvious need for federal funds to build up basic infrastructure, the inadequacy of which was a prime factor in the region's lagging economic growth. Electric power was high priced and in short supply; there was a serious shortage of modern trunk highways; there was little pre-serviced industrial land; no program existed to provide water to fish processing plants and new industrial undertakings; existing facilities for applied research were inadequate. The provinces were already stretching their financial resources to the limit in their attempts to attract new industry and simply could not afford to make all the expenditures needed to provide a sound foundation for long-term economic growth. Through necessity, many of those expenditures which did not promise a direct and immediate return were being given lower priority. Left uncorrected, this tendency would have had the effect of depleting the region's existing infrastructure and making more difficult the provinces' industry-attracting efforts.

Second, the Board realized that several years would be needed before an overall plan could be produced. Hence, the decision to proceed with those projects the need for which was most obvious and which would almost certainly be endorsed by long-term planning studies.

Third, the provinces themselves had done considerable planning on certain key requirements when the Board was established. All they lacked was the funds to carry them out. This was particularly true with respect to power and highway developments. In view of the provinces' dire needs for assistance, it would not have been politically possible or economically sound for the Board to refuse to spend money until its plan was completed.

THE BOARD'S LONG-TERM PLANNING ACTIVITIES

The July 1963 amendment to the Act gave the Board authority to "prepare, in consultation with the Economic Council of Canada, an overall coordinated plan for the promotion of the economic growth of the Atlantic region."

The Planning Division was established in the summer of 1965 with David Levin as Director. The balance of the year was spent in elaborating a work program, recruiting staff, establishing liaison with federal and provincial government agencies and reviewing the existing body of literature and data written and compiled by other government agencies, private organizations and academics. By the spring of 1966 the Board had authorized more than 20 separate studies, some to be carried out by members of the staff, some by other federal departments and agencies, and others by private consultants.

The terms of reference for the planning function were expressed in general terms. While such a statement was clear as to its basic intent, it was too general to provide direction for a planning program and the Board found it necessary to make explicit what it thought the Act implied.

Taking as its starting point that the central concern of the federal government was to narrow the economic disparity existing between the Atlantic region and the rest of Canada, the Board agreed that economic goals could be meaningful only if they were expressed in relative rather than in absolute terms. Thus the goals of economic policy for the region were expressed as follows: to accelerate the rate of growth in output, income and employment in order to achieve a greater degree of equality in economic welfare and opportunity between the region and the rest of Canada.

Preparation of the development plan was based on the following premises:

—The primary emphasis of economic policy should be on achieving the maximum development of economically viable activity, without excluding the need to extend short-term assistance to bring into operation enterprises considered capable of attaining long-term viability. This implied building on the region's competitive cost advantages rather than propping up the traditional structure of industry.

—Development policy should also seek to achieve closer integration of the economies of the four Atlantic Provinces based on their own relative eco-

nomic strengths; that is to say, economic planning should be carried on in a regional context.

—The kind of development that should be encouraged should be evaluated not only in terms of its benefits to the region, but also its costs to the nation as a whole. The development plan should permit an assessment of the price to be paid, if any, in terms of lower national economic efficiency in order to achieve greater equality between the region and the rest of Canada; that is to say, regional planning should also be carried on in a national context.

—To the extent that economic disparities could not be reduced by the promotion of economically viable activity, special supplementary measures might be justified.

The general approach adopted consisted, first, of a series of studies concerned with the problems and prospects of each sector of the economy and the policies required to enable them to achieve their potential; and second, an integrative framework enabling the sectors to be analyzed in terms of their inter-relationships within the overall regional economy. The principal tool which the Board chose to integrate the sector studies was a set of the Atlantic Provinces input-output tables. These tables, which were nearing completion at March 31, 1969, will present a systematic accounting of transactions generated by the production of commodities and services in approximately 50 major categories of industrial activity. Industry by industry, they will identify the disposition of output to other producers, to households or consumers, to capital formation, to government use, and to exports. Simultaneously, the inputs of each industry will be identified as coming from other producing sectors, from government services, from imports, from wage earners and other factors of production. The principal feature of this accounting matrix will be to permit the determination, starting with an initial change in one or more sectors, of the ultimate direct and indirect effects on the economy as a whole, thereby making possible the formulation of a comprehensive set of mutually consistent policy proposals for the region.

By early 1968 most of the sector studies had been completed and presented to the Board members for discussion and guidance. Staff had also prepared a preliminary statement of the policy implications which were emerging from its work. These suggested that a policy framework for the Atlantic region should be built around the following: rationalization of the primary sectors, through policies designed to encourage fewer but more productive enterprises employing fewer but better paid people; an intensification of the search for new sources of growth, principally in manufacturing, and development of a more discriminating, flexible approach to assist in the establishment of enterprises judged capable of attaining long-term viability; accelerated investment in education; accelerated investment in social and business capital.

Rationalization in the primary sectors was considered essential because, with the exception of mining, the existing structure of these industries—forestry, agriculture and fisheries—was simply not capable of yielding acceptable levels of income. Rationalization was also essential to eradicate the sources of poverty and the mechanism of their self-perpetuation. The Board's background study on the region's fisheries noted, for example, that in order to meet minimum income objectives an overall reduction in the number of inshore fishermen from 41,000 in 1965 to 17,000 in 1975 would be required. The inshore fishery was said to be "an instrument of poverty", particularly in Newfoundland. The same outlook was generally true for agriculture. The Board's report said that Maritime agriculture will continue to go through a painful adjustment in the next decade, leaving by 1977 just half as many farms and farmers as there were in 1961. The overall outlook for pulp and paper was bright, but major adjustments will be needed in the lumber industry, which had remained competitive through the low wages paid to its employees.

The policy challenge was to provide effective alternatives for those engaged in these industries: first, for those who would remain in the primary sectors but in larger-scale and more efficient enterprises, there should be consolidation of many smaller units, training in the required technical and managerial skills, improved plant and equipment, and more efficient marketing arrangements; second, increased assistance for retraining or relocation should be available for those who still have a significant working life and who by reason of personal preference or lack of opportunity wish to take other jobs; third, for older members of the labour force unlikely to benefit from retraining or relocation, early retirement was a possible alternative.

The search for new sources of economic growth should be based on exploiting the region's natural advantages and reducing, where possible, its disadvantages. Board studies were undertaken to investigate the possibilities for further processing of the region's raw materials, substitution of locally manufactured goods for imports, increasing exports to the region's natural markets, encouraging tourism, and restructuring of the region's transportation function.

Accelerated investment in education was considered an integral part of development policy in order to improve technical and managerial skills in virtually all sectors of the region's economy, and to enhance social and occupational adjustment to economic change. Apart from the lower level of direct inputs, in the form of capital facilities, teacher training and teachers' salaries, Board studies suggested that the educational problems of the Atlantic region were rooted in the family and community environment and the low educational attainment of earlier generations; that factors such as adult illit-

eracy, family size and non-employment were just as important as, if not more important than, lower direct investment in explaining why average educational attainment was less in the Atlantic Provinces than in the rest of Canada.

Board studies further concluded that, even after considering the large contributions which the Board and other federal agencies had made to the region's basic infrastructure, additional investment in social overhead capital was needed in such forms as roads, water and power, and municipal facilities and services to permit urban centres to carry out their function as sites for economic activity.

During 1968-69 it was the Board's intention to publish various background studies as means of encouraging public discussion of regional development policies, and to prepare a preliminary development strategy for the region, in consultation with the provincial governments and the other federal departments and agencies concerned.

Before this could be done, however, the Board considered that it was necessary to receive the sanction of the government to begin detailed discussions with the provinces at the highest policy-making levels. Up to this time, there had been close consultations with provincial officials at the technical level only. The proposed discussions, however, did not take place. Following the decision to establish the Department of Regional Economic Expansion, formulation of the development plan for the Atlantic region was deferred until the planning function of the new department could be assessed in the context of the department's national responsibilities. Work on the Board's studies and the updating of the input-output tables continued, however, and before the end of fiscal 1968-69 three background studies, dealing with forestry, agriculture and fisheries, were published. Additional studies, including a Deep Water Harbour Study and background reports on minerals, education and water resources, were to be published in fiscal 1969-70, with the possibility of others to follow.

Following the final meeting of the Board on March 17, 1968, Vice-Chairman Joseph A. Likely stated that the Board regretted that the plan had not been completed under its direction. He said, however, that in retrospect it was not surprising that the task had taken longer than some had expected. Difficulty had been experienced in engaging researchers to do some of the highly specialized work needed; frequently discussions with provincial governments proved more time-consuming than expected; the complexity of what was involved in devising an economic plan for an area as large, as varied and as problem-ridden as the Atlantic Provinces was immense; and, finally, work on the plan probably should have started in 1963, rather than in 1965.

Nevertheless, Mr. Likely reported that the Board was pleased with the number and quality of the studies completed and the vast store of information and analysis, which now would be at the disposal of the new department.

1968-69 IN REVIEW

The Board's operations throughout 1968-69 were dominated by the decision to set up a department of regional development. In May 1968, during the general election campaign, Prime Minister Pierre Elliot Trudeau announced that his party's regional development program included establishment of such a department.

The other political parties also indicated their intention of revamping the existing framework of regional development programs. It was apparent early in the fiscal year, therefore, that regardless of the outcome of the election, great changes were in store for the Board.

On July 12, responsibility for the Board was shifted from Hon. Allan J. MacEachen, who had succeeded Mr. Pickersgill as the Board's Minister in September 1967, to Mr. Marchand. Although this change, in itself, did not alter the Board's position under the Act, it did, in fact, affect the way it operated.

Immediately following passage of the Order in Council transferring responsibility for the Board to Mr. Marchand, a Task Force of senior officials of the various regional development agencies was formed to begin planning the new department. It included Dr. Weeks and D. W. Franklin, Deputy Executive Director of the Board. Thus, all Board programs and projects began to be assessed in a new and wider perspective. The Board itself, realizing that the nature of its duties was soon to be changed, was understandably reluctant to undertake new policy initiatives.

Two other factors were also responsible for a reduction in new Board commitments from \$54,704,617 in 1967-68 to \$6,108,699 in 1968-69: first, lack of funds to undertake new commitments of massive size; and second, completion of the more obvious "gap-filling" programs.

At March 31, 1968, all but \$25,331,146 of the Atlantic Development Fund had been committed, an amount sufficient for a number of small projects but inadequate to meet the provinces' request for a fourth highway program of the size of the second and third agreements (\$30 million and \$25 million respectively). In this situation all the Board could do was make known to the Minister its views concerning the need for another highway program.

Many of the obvious, easily-filled "gaps" had been filled or were nearing completion; most major centres in the region had received Board assistance

for construction of industrial parks; only a few fish plants still remained without ADB-supplied water; research foundations were receiving Board grants almost as quickly as they could efficiently absorb them. While the Board's planning studies were indicating that additional investment in infrastructure would still be needed for many years, it was apparent that this should only take place after detailed negotiations with the provinces had established spending priorities.

The result of all this was that the Board's new commitments of \$6,108,-699 during 1968-69 were the lowest of any year since its establishment. Capital expenditures of \$37,966,613, however, remained high, comparing with \$40,206,517 in 1967-68, \$38,123,772 in 1966-67, \$22,954,636 in 1965-66, \$3,642,509 in 1964-65 and nil in 1963-64, the first year of the Board's operations. In addition there were the annual appropriations by Parliament to cover general administrative expenses such as salaries and expenses, technical and economic surveys and studies.

These figures of annual cash flow highlight the fact that while the Board commenced, within months of its creation, to make sizable commitments for financial support, it was only in its last three years that the physical capital assets representing these commitments started to reach the completion stage and to make their full impact on the region's economy.

During 1968-69 the Board committed \$4,524,100, or about 40 per cent of its yearly total, toward capital facilities for universities and provincially-operated research foundations. The largest single commitment, \$3 million, was to assist Memorial University in St. John's, Nfld., to establish a School of Engineering. The University of New Brunswick in Fredericton, N.B., had its previously approved grant of \$1,500,000 for research buildings and equipment in the natural and social sciences increased by \$1,050,000 to \$2,550,000. The New Brunswick Research and Productivity Council received \$468,100 for the purchase of additional equipment, bringing its total grant to \$2,355,279.

Finally, the Board recommended that its grant to Dalhousie University, Halifax, be increased from \$2 million to \$5 million as its contribution to the university's proposed life sciences complex; and that the Nova Scotia Research Foundation receive an additional \$502,000 for the purchase of equipment, the Board having previously granted the foundation \$2,350,000. Neither of these recommendations had been approved by the government as of March 31, 1969, and they are not listed in Appendix I as constituting a charge on the Atlantic Development Fund.

A number of new commitments were made during the year for the construction of water systems for a variety of new or expanding industries.

At Caraquet, N.B., the Board received approval to grant \$1,112,000 for a combined fresh and salt water system for the fish processing industry, the fresh water portion being designed with sufficient capacity to serve the needs of the 6,000 residents of the area. Also in New Brunswick, the Board recommended a grant of \$785,000 for the second phase of the water system at Shippegan, where the Board had already spent \$508,049 to provide fresh and salt water for the rapidly increasing needs of the fishing industry and the community. However, this recommendation, made at the final meeting of the Board, had not been approved by the government as of March 31, 1969, and therefore is not listed in Appendix I. In Newfoundland, the Board received approval to construct water systems for fish plants at Witless Bay and Hants Harbour, at a cost of \$90,000 and \$145,000 respectively, bringing to 21 the number of Newfoundland fishing centres being provided with water by the Board. At Souris, P.E.I., the Board granted \$70,000 to expand the existing water supply to provide for the needs of the town's fish plants and residential requirements. The Board also made a loan of \$35,000 to improve water supplies to Bathurst Marine Shipyard, Georgetown, P.E.I., with repayments to be made according to the terms of the Board's policy of providing water for industrial enterprises. In Nova Scotia, a grant of \$105,000 was made to improve water supplies to the National Sea Products Ltd. fish plant at Lunenburg; and at Bridgetown the Board extended a loan of \$180,000 to expand the municipal water system, needed to meet the increased water requirements of Acadian Distillers Ltd. At Oxford, N.S., where the existing water system proved inadequate to supply the town's new and expanding industries, a loan of \$300,000 was approved.

In previous years, the major portion of new commitments was made in the fields of power, highways and industrial parks. By 1968-69 the provinces' immediate power and industrial park needs had largely been met, with the result that the only new commitments during the year were \$150,000 to Newcastle, N.B., for construction of an industrial park, the grant being conditional on the attraction of an industry to the area, and \$61,500 to Amherst, N.S., to improve its industrial park, toward which the Board had already contributed \$350,000. Although the Board endorsed the provinces' request for a \$33 million fourth highway program, the only firm commitment for highways it was able to make during the year was \$1.5 million for Prince Edward Island. As stated earlier, this grant, plus \$570,000 for construction of tourist and recreational facilities, was approved by the Board after delays had been encountered in signing a comprehensive development plan for the Island.

The Production for Export program, approved late in 1967, got off to a successful beginning when 28 Maritime firms participated in the Eastern

States Exposition at Springfield, Mass., in September 1968. It was followed up by a Board-sponsored Caribbean Familiarization Tour by marketing officers from the four Atlantic Provinces. Late in the fiscal year, the Board recommended \$225,000 to assist the provinces to carry on the program during 1969-70.

In previous years the Board had assisted Nova Scotia to the extent of \$265,801 with a potash exploration program, which had resulted in findings of low-grade potash in Cumberland County. To encourage private industry to continue the exploration the Board agreed to make available \$225,000 to a fund through which the Board and the provincial government would together assume half the risk, with the Board's contribution to be recovered only if commercial potash production occurred.

Five meetings of the Board were held during 1968-69: April 1-2, Moncton; May 13-14, Halifax; September 5-6, Ottawa; Dec. 2, Ottawa; and March 17, Ottawa.

There were changes in the membership of the Board during the year. On Jan. 6, the term of Neil R. MacLeod, Q.C., expired, and on Jan. 24 the three longest serving members, Chairman Ian M. MacKeigan, Q.C., Vice-Chairman Albert M. Martin and Robert C. Eddy, completed the second of their two three-year terms. They were not replaced by the government since introduction of the legislation to establish the new department was imminent. On Feb. 7 the Board members elected Joseph A. Likely of Saint John, N.B., as Vice-Chairman and it was he who presided during the final meeting at Ottawa on March 17.

Two important changes were also made in the senior staff of the Board. D. W. Franklin, formerly an official of the Treasury Board, was appointed to the new position of Deputy Executive Director on May 15, and on July 15, J. L. Miller, also a former Treasury Board official, succeeded C. P. Russell as Secretary and Director of Administration.

PROGRAMS AND PROJECTS 1963-1969

By March 31, 1969, the Board had received government approval for the commitment of \$189,527,553 from the \$208,750,000 in capital funds voted by Parliament. The sum of \$142,894,047 had actually been spent.

These commitments and expenditures fell into six categories: highway development, \$68,175,000 and \$59,397,835; electric power development, \$56,212,800 and \$52,699,204; industrial water supplies, \$26,959,521 and \$13,391,041; applied research and university facilities, \$12,361,279 and \$4-051,637; industrial parks and sites, \$9,796,327 and \$6,168,866; miscellaneous projects, \$16,022,626 and \$7,185,464. (The foregoing figures were compiled on a functional basis and some of them do not coincide with those presented in Schedule I of Appendix I.)

Commitments and expenditures by province were: Newfoundland, \$60,-767,251 and \$48,556,663; Nova Scotia, \$59,141,682 and \$39,630,136; New Brunswick, \$54,892,716 and \$44,609,512; Prince Edward Island, \$12,566,-756 and \$9,894,731. Commitments for projects of a regional nature were \$2,159,148, with \$203,005 being paid out by March 31, 1969.

Highway Development

From its inception, the Board recognized that shortcomings in transportation were responsible for much of the lagging economic growth of the Atlantic region. While it was apparent that these shortcomings embraced all modes of transport, the solutions were anything but obvious, involving as they did complex questions of national and regional policy objectives. What was clear and undisputed, however, was the need for a network of modern, all-weather trunk highways, to be constructed at the same time as an overall transportation policy for the region was being developed.

Because of the fiscal problems of the provinces and the scattered nature of the region's population, highway construction had fallen well behind the pace maintained in the rest of Canada. The result was that the trucking industry had failed to grow as rapidly as elsewhere, making the region overly dependent on the railways, both for inter-regional and intra-regional freight movements, and preventing the development of a truly competitive rate structure. Many existing roads were narrow and winding and dangerous to persons and property. They had to serve local commuter needs as well as the requirements of the trucking industry. Perhaps most important, their foundation was too weak to withstand the spring thaw, necessitating economically damaging weight restrictions. In Newfoundland there were too few roads of any description.

The Board's first road program was started in 1964 when a commitment of \$10 million was made from the Atlantic Development Fund: \$1 million for Prince Edward Island and \$3 million to each of New Brunswick, Nova Scotia and Newfoundland. The Board contributed 50 per cent in Nova Scotia and Newfoundland and 75 per cent in the other two provinces, excluding right-of-way. In 1965, Parliament voted to the Board an additional \$30 million, separate from the Fund, to assist the provinces in trunk highway development on a 50-50 cost-share basis, except for Prince Edward Island where the Board assumed 75 per cent of the cost. This second road program was allocated on the basis of \$3 million to Prince Edward Island and \$9 million to each of the other provinces. Under the \$25 million third road program, approved by Parliament in 1967, Prince Edward Island was to receive \$2.5 million with \$7.5 million going to each of the others. The cost-sharing division was 75 per cent by the Board and 25 per cent by the provinces.

The particular roads selected for these programs were agreed upon between the Board and the province concerned. In the three Maritime Provinces the emphasis was on bringing trunk roads up to all-weather standards and constructing limited access highways or bypasses in heavily populated areas. In Newfoundland a broader approach was adopted and a number of basic roads were built to provide access to resource development areas and centres of population previously unconnected by highways. A number of these basic roads were subsequently brought up to higher standards with the assistance of Board funds.

Coincident with the Board's highway programs, the Board staff was participating in the overall review of Atlantic transportation problems being carried out by a number of federal and provincial agencies and private organizations. Perhaps the Board's major contribution in this field was its co-ordination and supervision of the Atlantic Provinces Integrated Transportation Study, a 12-volume report produced by the Economist Intelligence Unit of London, England, for the Department of Transport. The key recommendations of this report, received early in 1967, were that the federal and provincial governments continue their trunk road building programs, and that subsidies on rail shipments either be discontinued or extended to all modes of transportation, including trucking, in order to achieve greater competition, better balance and more efficiency.

The Board's three major road programs involved commitments of \$65 million. In addition, three special road projects, two in Prince Edward Island and one in Newfoundland, brought total commitments to \$68,175,000, making highway development the largest single item of Board spending.

Following are brief descriptions of the Board's highway activities in each of the provinces.

New Brunswick

Under the first highway agreement, 22 contracts for road construction and six contracts for bridge building were awarded. The largest contribution by the Board, \$620,176, went toward construction of a bridge over the Miramichi River at Chatham.

Highways included in the second agreement with New Brunswick, together with the Board's share are: Saint John to Sussex—\$2,850,000; Digdequash River-Lepreau-Waweig—\$4,500,000; Port Elgin to Dupuis Corner—\$1,330,000; Acadiaville to Richibucto—\$320,000.

Twenty-seven projects were included in the third agreement, the major ones, together with the Board's share, being: Chatham Bridge—\$1,065,000; Burton Bridge and approaches—\$1,045,000; Monton to Shediac—\$820,000.

Nova Scotia

Roads included in the first agreement, together with the Board's share, were: Bedford to Cobequid—\$205,000; Cobequid Intersection to Upper Sackville—\$880,000; Tantallon to Hubbards—\$1,915,000.

Six projects were included under the second agreement with Nova Scotia: Sydney Bypass—\$1,850,000; Brookfield Connector—\$2,240,000; Enfield to Shubenacadie—\$1,485,000; Tantallon to Prospect—\$1,530,000; Kentville and Wolfville Bypass—\$425,000; Avonport Diversion to Falmouth—\$1,470,000.

The third agreement covered 13 projects: Trunk 1, Trunk 14 to Wentworth Road, Wentworth Road Bridge—\$502,500; Trunk 1, Ste. Croix to Trunk 14, Trunk 14 Interchange—\$1,012,500; Trunk 1, Dominion Atlantic Railway at Digby to Weymouth North—\$750,000; Trunk 2, Stewiacke to Shortt's Lake Road, West Shortt's Lake Road Bridge—\$600,000; Trunk 3, Broad River to Sable River—\$750,000; Trunk 3, Nine Mile Woods Diversion—\$825,000; Trunk 4, Irish Cove Diversion—\$525,000; Trunk 1, Windsor Bypass—\$1,087,500; Trunk 1, Springfield Lake to Halifax-Hants County Line—\$375,000; Trunk 2, Shubenacadie to Stewiacke—\$528,750; Trunk 2, Shubenacadie Diversion—\$168,750; Trunk 2, Stewiacke Diversion—\$75,000; Bicentennial Drive, Halifax to Hammond Plains Road—\$300,000.

Newfoundland

The first agreement included the following roads, together with the Board's share: Burin to Marystown—\$300,000; Trinity South to Whitbourne—\$500,000; Valleyfield to Wesleyville—\$300,000; Wiltondale to Rocky Harbour—\$500,000; Brigus Bay to Canada Bay—\$400,000; Baie Verte Peninsula—\$250,000; Harbour Breton to Bay d'Espoir—\$450,000; North Harbour to Branch—\$300,000.

Under the second agreement, the following roads and bridges were constructed: Burin to Marystown—\$385,000; Trinity South—\$190,000; Bonavista-North Valleyfield-Wesleyville—\$183,000; Rocky Harbour to Ste. Barbe Peninsula—\$145,000; Baie Verte Peninsula—\$98,000; Harbour Breton to Bay d'Espoir—\$158,000; North Harbour to Branch—\$109,000; completion Bay d'Espoir Road—\$2,463,000; Port aux Basques to Burnt Island—\$1,639,000; completion Wiltondale to Rocky Harbour—\$1,202,000; Clarenville, Georges Brook, Lethbridge, Southern Bay—\$208,000; Ferry Terminal to Twillingate—\$395,000; Gander River Bridge to Gander Bay—\$544,000; Goose River Bridge—\$581,000; Bay Bulls to Trepassey—\$495,000; Holyrood Pond Bridge—\$205,000.

The third agreement includes the following projects: Bay d'Espoir towards Bishop's Falls—\$675,000; Lethbridge towards Southern Bay—\$750,000; Gander to Gander Bay—\$750,000; Marystow towards Goobies—\$1,575,000; South Side Grand Bank towards Frenchman's Cove—\$1,275,000; Rushoon, Piper's Hole, Black River bridges—\$300,000; St. Alban's towards Harbour Breton—\$1,350,000; Michael's Harbour to Campbellton—\$450,000; Gambo to Traverse Brook—\$375,000.

A special highway project in Newfoundland related specifically to industrial development was the Board's sharing equally with the province the cost of constructing a road from the phosphorus plant at Long Harbour to Argentia-Placentia. By connecting Long Harbour and the extensively settled area of Argentia-Placentia, thus enabling workers to commute to Long Harbour, the major expense of developing a new town site was avoided. The Board's share was \$1 million.

Prince Edward Island

Prince Edward Island's \$1 million share of the first program was allotted to the Albany-Miscouche highway.

Seven projects comprised the second agreement: Albany to Miscouche—\$525,000; Miscouche to Day's Corner—\$375,000; Cherry Valley to Poole's Corner—\$975,000; Morrell Bridge—\$150,000; Cardigan—\$150,000; Bedeque Road at Country Lane—\$300,000; Bloomfield—\$525,000.

The third agreement included the following eleven projects: Poole's Corner to Montague—\$243,750; Traveller's Rest to Kensington—\$356,250; Kensington to Winsloe—\$412,500; Charlottetown to Winsloe—\$393,750; Charlottetown towards Morrell—\$337,500; Grand River Bridge—\$15,000; Souris West Bridge—\$30,000; Bay View Bridge—\$135,000; Anderson Bridge and approaches—\$82,500; Day's Corner to Richmond—\$250,000; Richmond towards Elmsdale—\$243,750.

The Board entered into a special fourth highway agreement with Prince Edward Island in 1968 when delays were encountered in signing the joint federal-provincial comprehensive development plan for the province. Under this agreement the Board committed an additional \$1,500,000.

This was the second special road program in Prince Edward Island. In 1965 the Board agreed to pay 90 per cent of the cost, up to a total of \$675,000, of paving access roads to selected fishing areas in the province. Unsurfaced roads become almost impassable on the Island during spring break-up. The lobster season opens in early May, and movement of gear to boats and lobster from boats was extremely difficult. The season is short, but

the catch valuable and it was imperative that no fishing time be lost. The same problem also existed for Irish Moss harvesters, oyster fishermen and others.

Electric Power Development

Mactaquac Hydro-Electric Power Project

The Board had been operating only a short time when the New Brunswick government presented a proposal for massive assistance for its proposed Mactaquac development. Not long after, the Board received an application from Newfoundland for assistance for its proposed Bay d'Espoir project. On Nov. 19, 1963, the Board recommended that grants of \$20 million each be made toward the projects.

A series of interdepartmental meetings was then held to examine the proposals. Every department and agency that could possibly have an interest in the projects took part. On Jan. 10, 1964, the Cabinet gave approval in principle to the Mactaquac grant, with approval in principle for Bay d'Espoir following on March 5. Many months of intensive discussions were still needed before all the details of the arrangements could be settled, but on Dec. 4, 1964, the Governor in Council gave final approval to the agreements for grants of \$20 million each to Mactaquac and Bay d'Espoir.

Located on the Saint John River, 14 miles above Fredericton, the \$120 million Mactaquac project is the largest engineering work ever undertaken in New Brunswick. Construction took place over a period of three years—1965 to the date of first operation, on April 8, 1968, of the third 100,000-kilowatt turbine unit. With the installation by 1976 of three additional turbines, Mactaquac's generating capacity will be 600,000 kilowatts, more than 50 per cent of New Brunswick's entire generating capacity in 1964.

The Board's grant enabled the NBEPC to raise capital at rates more favourable than otherwise would have been possible, to proceed immediately with construction of a large-scale project and to produce power more cheaply. The annual saving to the NBEPC due to the grant is about \$1,500,000 in fixed charges, which saving is being reflected in the overall cost of operation. Had Mactaquac not been developed, it would have been impossible for New Brunswick to have negotiated for large exchanges of power, both export and import, to Hydro Quebec and power utilities in Maine, a major factor in keeping down power costs.

Bay d'Espoir Hydro-Electric Power Project

As with Mactaquac, the Board's \$20 million grant towards Bay d'Espoir enabled the Newfoundland and Labrador Power Commission to raise capital

at more favourable rates, have power available at reasonably low rates, and make an early start on a large-scale project.

Utilizing the waters of the Salmon and Grey Rivers, on the south coast of the Island of Newfoundland, the first stage of the project, providing 300,000 horsepower (225,000 kilowatts), was completed on Oct. 22, 1967, when the last of three 100,000 horsepower units went on stream. Cost of the first stage, including transmission grid, was approximately \$87 million.

Early in 1966 the projected load growth of the province indicated that it would be necessary to proceed sooner than expected with the second stage, the diversion of the watersheds of the Upper Lloyds River, Victoria Lake and the White Bear River eastward into the Salmon and Grey watershed. When this stage is completed late in 1968, the capacity of Bay d'Espoir will have been doubled to 600,000 horsepower. The second stage will cost about \$79 million, including \$17 million for extension of the transmission grid, bringing total cost of the project to about \$166 million.

In all, Bay d'Espoir will more than double Newfoundland's generating capacity. Before the project went on stream, the Island had been so short of power that industrial expansion—particularly resource-based expansion—was virtually at a standstill, and some industries had been forced to curtail production. Bay d'Espoir also altered domestic conditions for much of the province's population, which had suffered from a power shortage so acute as to preclude use of modern electrical appliances in some areas. The three private power systems, which had operated independently, without interconnecting transmission lines, have been succeeded by a province-wide grid.

Frequency Standardization in Newfoundland

Prior to 1965 about 70 per cent of Newfoundland's electric power load had been generated at 50 cycles per second, instead of the standard North American frequency of 60 cycles per second. In order to avoid the continuing inefficiency of two transmission systems, the provincial government standardized the system on 60 cycles, and installed three frequency converters to provide the 50-cycle power needed for certain equipment in the province's pulp mills. The decision to standardize was particularly important because 60-cycle power from Bay d'Espoir is being fed throughout the province by an interconnecting transmission system. To assist the province with its conversion program the Board granted \$4 million toward the purchase and installation of the frequency converters, about one-third of the total cost of the program.

Trenton Thermal Electric Power Station

Since significant hydro developments were not possible in Nova Scotia, it was considered desirable to assist the province in the construction of a large-scale thermal plant. On May 26, 1966, the Board received approval from the Governor in Council to make a \$12 million grant towards construction of a 150,000-kilowatt extension to the Nova Scotia Power Commission's thermal station at Trenton. The savings resulting from the grant were to be used to reduce the average cost of power for industry, especially power-intensive industries which require the lowest possible power rates to be competitive. Total cost of the project is estimated at \$27 million and the scheduled completion date is November 1969. The plant will be the largest thermal unit in the Atlantic region, using up to 400,000 tons of coal annually, mainly from Cape Breton.

Prince Edward Island-New Brunswick Power Cable

At the first meeting of the reconstituted Board on Aug. 6, 1963, it was recommended that consultants be engaged to study the engineering and economic feasibility of a submarine power cable linking Prince Edward Island with the New Brunswick mainland. Following receipt of the consultants' report, the Board agreed to pay the entire cost of the proposed cable and earmarked \$5 million for the purpose. With the announcement of the federal government's intention to construct a causeway across Northumberland Strait, it was decided that a cable carried by the causeway would be economically and technically superior to a submarine cable. The revised cost estimate was \$4,300,000. In March 1969, the government announced that it was not proceeding with construction of the causeway but was going to undertake a comprehensive development plan, in co-operation with the provincial government. Included in the second phase of the plan is provision of a power interconnection. The Board's previous commitment of \$4,300,000 therefore lapsed.

Industrial Water Supplies

While the Atlantic Provinces generally are well supplied with fresh water, frequently it is located some distance from industrial development. Moreover, pollution, both of municipal and industrial origin, has become serious in recent years in some of the region's harbours and major river systems. In coastal areas of New Brunswick and Prince Edward Island an additional problem has been intrusion of salt water as the fresh water table was drawn down.

It was evident to the Board from the beginning that it would be necessary for it to play a role both in the fight to control pollution and to ensure that new and expanding industrial undertakings would be provided with adequate supplies of fresh water at reasonable rates.

The Board's policy of assisting in the provision of industrial water systems was a three-phase development, each evolving according to changing needs and circumstances.

In its first year of operation, the Board received requests for assistance for water and sewage facilities for a large new fish-processing complex at Georgetown, P.E.I., and for a major fish-processing plant being located at Canso, N.S. Early in 1964 both requests were approved. The Board agreed to finance the entire cost of the water systems, with the completed facilities to be turned over to the provincial government concerned to maintain, operate and collect reasonable user charges. The Board also agreed to design the systems with sufficient capacity to enable the communities in which the plants were located to tie in at their own expense.

The Georgetown and Canso decisions, made essentially on the facts of each case, quickly became the basis of overall Board policy. In 1965, with the introduction of new regulations under the Fisheries Inspection Act requiring a higher standard of purity for water used to process fish for export, many plants in the region were faced with a serious situation, due to the inadequacy of supply of suitable water. Failure to comply with the new regulations could have meant closure of the plants. At the same time, many fish companies, European and American as well as Canadian, were making plans to locate new processing facilities in the region and to expand existing ones. The Board, therefore, undertook to provide new water systems to the plants whose needs were most critical and to carry out surveys to determine the requirements of all the major plants and how these might best be met. Thus began what might be described as phase two of the Board's program.

The cost of permanent water supplies of this kind was heavy and usually beyond the financial capacities of both the fish company and the small communities in which the plants were located. Following the precedents established as Georgetown and Canso, the Board's policy was to pay for the total cost of the water systems, except in a few cases where the economic benefits from an existing fish plant were not expected to cover the annual cost of interest, amortization, maintenance and operation of the water system. In these instances, the Board requested a financial contribution from the province. The Board continued the practice of turning the completed works over to the province and of designing the systems with sufficient capacity for residential as well as fish-plant use, where this proved feasible.

The long-term benefits of this latter policy can scarcely be over-estimated, particularly in Newfoundland where the majority of the fish plants are located. The Board received approval to construct water systems in 21 Newfoundland fishing centres. In 14 of these the systems were designed with sufficient capacity to enable the communities to tie in at their own expense, thereby sparing them the major capital costs of developing their own systems.

Not all the systems provided by the Board supplied fresh water. At Shippegan and Caraquet in New Brunswick, for example, both fresh and salt water systems were constructed, salt water being as useful as fresh for fluming fish. At Lockeport and Grand Etang in Nova Scotia salt water supplies only were provided. Nor was the Board's policy restricted to fish plants: at Montague, P.E.I., and at Florenceville, N.B., the Board provided water to plants processing agricultural products.

Overall, the Board committed approximately \$18 million in grants to construct 39 water systems for fish and farm products processing plants: 21 in Newfoundland, 10 in Nova Scotia and four each in New Brunswick and Prince Edward Island. Shortly before repeal of the Act, the Board recommended that water systems be constructed in Newfoundland at Harbour Breton, Port aux Choix and Grand Bank. With the provision of water to the plants in these three centres, the Board felt that the program it had begun in 1964 would be largely completed, most major fish plants in the region then being adequately supplied.

The third phase started early in 1967 when the Board began to receive applications from the provinces to provide water to a number of major new non-fish-processing industries. It was recognized that meeting these requests would represent something of a departure from the Board's existing policy, reached under what amounted to emergency conditions. At the same time, it was recognized that neither the provinces nor the municipalities had the financial resources to undertake these expenditures, and that to require pri-

vate industry to finance its own water systems would constitute a major impediment to economic development.

The Board originally took the view that it should continue to provide water systems on the same terms it had in the past—on a grant basis with the provinces owning the systems and levying user charges—on the grounds of administrative simplicity and achievement of maximum economic impact in the region. The government, however, insisted that future systems for industries other than fish processing be financed through loans to the provinces. The province concerned was to collect user charges and amortize the loan over 30 years, with the Board assuming a substantial share of the cost of any spare capacity in the water system during the first ten years.

This formula was to apply equally when the water system was to be used by a single industry or a group of industries. Under it, the Board committed, during 1967-68 and 1968-69, more than \$9 million, including \$3,300,000 to supply a new oil refinery and other users at Point Tupper, N.S.; \$1,250,000 for a pulp mill at Nackawic, N.B.; \$1,250,000 for a phosphorus plant at Long Harbour, Nfld.; and \$1,100,000 for the Dalhousie, N.B., area.

In 1967 the Board received a request from the Halifax Public Service Commission for an \$8-million grant, nearly half the estimated cost of developing a new water supply for the City of Halifax and its western suburbs. Before deciding on the application, the Board authorized studies, both by staff and private consultants, to determine the best method of meeting the long-term water needs, not merely of the area served by the Public Service Commission, but of the entire Halifax-Dartmouth metropolitan area. The studies showed there was no clear-cut solution to this exceedingly complex matter, the central issue of cost involving questions of timing, land-use planning, municipal government structure and demand projections. When lengthy negotiations failed to produce agreement, the Board, at its final meeting, passed a resolution recommending to the Department of Regional Economic Expansion “that financial assistance for a new water system for the Halifax-Dartmouth area be provided on a shared-cost basis to enable water rates appropriate in relation to those prevailing in other relevant or comparable municipalities in Canada; this assistance to be subject to selection of a water development scheme agreeable to the parties concerned.”

Applied Research and University Facilities

The need for increased industrial research is a national problem, but it is more acute in the Atlantic region for several reasons. By North American standards, most industries in the region are small, having neither the size nor the financial resources to undertake their own research to keep products and techniques abreast of technological change. Distance from Central Canada precludes them from making effective use of research facilities which have been developed in Central Canada. Moreover, the industrial development strategy of the Atlantic Provinces is based, in large measure, on two considerations, both of which require a high level of technical sophistication: first, if the primary sectors—agriculture, fisheries, forestry and mining—are to realize their full potential, it is essential that more processing be done in the region and that processing methods be improved; second, to overcome the disadvantage of distance in freight movements, the region should aim at attracting secondary manufacturers whose products have a high-value, low-weight ratio.

The Nova Scotia Research Foundation and the New Brunswick Research and Productivity Council had been established before the Board came into existence, but their facilities were inadequate for the work they were being called upon to undertake. Early in 1964 the Board was asked to provide assistance for buildings and equipment for the institutions. After consultation with the provincial governments and the relevant federal agencies, the Board concluded that support for the two provincial research organizations, the only ones in the region, was the most practical way of providing research services to industry. It was agreed that the facilities would be used for research on problems in all four Atlantic Provinces.

Authority to grant \$1,140,000 for buildings and \$610,000 for equipment to the Nova Scotia Research Foundation was received early in 1965. The bulk of the building grant was earmarked for a laboratory at Dartmouth, which was also to serve as the headquarters of the Foundation, with the balance to be used for construction of two smaller laboratories, for research on timber structures and ceramics, on the campus of the Nova Scotia Technical College at Halifax. Two years later, the Board's grant was increased from \$1,750,000 to \$2,350,000. Of the new total, \$1,941,000 was designated for the construction of buildings and a reduced amount, \$409,000 for purchase of equipment. Shortly before repeal of the Act, the Board recommended an additional \$502,000 to meet the Foundation's equipment requirements to

1970. This submission was approved by Treasury Board early in fiscal 1969-70 and is not included in Appendix I. The three laboratories had been completed by March 31, 1969, although the Dartmouth building was not expected to be in full operation until mid-summer.

Assistance of \$1,250,000 for the New Brunswick Research and Productivity Council was approved early in 1965, \$750,000 for a laboratory building to be constructed on the campus of the University of New Brunswick and \$500,000 for the necessary equipment. Late the following year, an additional \$258,179 was provided for construction costs. As of March 31, 1969, only \$3,394 remained to be paid under the Board's commitment of \$1,508,179.

In 1967 the Council submitted to the Board its five-year capital requirements to 1972. Approved for 1967-68 was \$379,000, more than half of which was to be used to establish a metrological laboratory for precision testing and maintenance of quality control of production standards. Early in 1969 approval was received for the Board to grant a further \$468,100, to be spent in approximately equal amounts in three major areas: metrological and metallurgical testing, food sciences services and machine shop operations. This brought to \$2,355,279 the Board's total commitment to the Research and Productivity Council.

In 1967 the Board agreed to make grants of \$50,000 each for the construction of two smaller laboratories: an ore-dressing pilot plant, to be situated on the campus of the Nova Scotia Technical College; and a geochemical laboratory to be established by the provincial Department of Natural Resources on the UNB campus.

Another regional shortcoming, allied with the need for applied research, is the lack of post-graduate facilities in the science disciplines for the training of personnel required by the provincial research organizations, industry and the universities themselves. Accordingly, after lengthy discussions with provincial and academic authorities, the National Research Council and the Economic Council of Canada, the Board decided to contribute to the improvement and extension of the post-graduate research facilities at the University of New Brunswick and Dalhousie University.

In August 1966, the Board received approval to grant \$1,500,000 to UNB toward the cost of buildings and equipment for a social sciences research centre, a computing centre, an engineering centre, a chemistry building, and the research areas of the geology and biology buildings. Two years later, an additional \$1,056,000 was approved to cover increases in unit costs and space requirements, bringing to \$2,556,000 the Board's commitment to the university. As of March 31, 1969, no payments had been made under the program.

Also in August 1966, the Board was given authority to contribute \$2 million towards a marine biological research facility at Dalhousie University, to be known as an aquatron. The university later revised its plans for the project and requested assistance to construct and equip a life sciences centre that would house the departments of Biology, Psychology and Oceanography. Of the estimated total cost of \$18.2 million, the Board was asked to provide \$5 million. At its penultimate meeting, the Board agreed to recommend that its grant of \$2 million be increased to \$5 million. No submission having been made to Treasury Board by March 31, 1969, the matter was turned over to the Department of Regional Economic Expansion.

In New Brunswick and Nova Scotia the Board's assistance was limited to post-graduate facilities, although it was recognized that there would be some incidental benefits for undergraduate training. In Newfoundland, however, the primary requirement was of a different nature. The province's single university, Memorial, provided the first two years only towards a degree in Engineering, students having to leave the province to complete their studies. Many of them failed to return home upon graduation with the result that Newfoundland found itself chronically short of engineers at a time when its economy was requiring ever-increasing numbers. Accordingly, the Board agreed, in May 1968, to contribute \$3 million to assist Memorial in the establishment of a degree-granting School of Engineering, \$2 million to be used for construction costs and \$1 million for purchase of books and equipment.

Industrial Parks and Sites

Much of the secondary and major service industry attracted to the region in recent years has located in industrial parks and resource-processing sites financed in whole or in part by the Board. In addition, many industries which were unable to expand or modernize their operations on their existing sites have located new plants in industrial parks.

Such parks present many advantages, both to industry and the communities in which they are situated: industry is assured of as much preserviced land as it requires, at a reasonable price and in a suitable area; the hiving of compatible industries in a single location encourages efficiency and the development of new products, the output of one industry becoming the input of a neighbour; urban planning and the overall attractiveness of the community are enhanced when industrial development is kept separate from commercial, residential, recreational and institutional land use; an industrial park increases a community's chances of attracting new industry and provides a focal point for its promotional efforts.

The development of industrial areas serviced with power, water and sewage facilities, road and rail access, requires large capital outlays in advance of the establishment of new industries. Consequently, municipalities may wait a long time before recovering capital costs through sale or lease of such lands, or from improved tax revenue. Moreover, most municipalities find it extremely difficult to finance the initial phase of industrial park development. In some cases, even with Board assistance, municipalities have been forced to borrow money from the provincial governments to finance their share of the cost of a park.

Recognizing that industrial parks form a fundamental part of the region's infrastructure, the Board committed \$9,796,000 for these developments. Centres selected for parks were chosen in consultation with the provinces to ensure that they conformed with provincial development plans and after individual studies, where appropriate. In all, the Board agreed to assist 12 general purpose parks—six in Nova Scotia, five in New Brunswick and one in Prince Edward Island—and three resource-processing sites in New Brunswick. Studies of the industrial park needs of Charlottetown, P.E.I., and St. John's, Nfld., were carried out but applications for assistance had not been received by March 31, 1969. That New Brunswick and Nova Scotia in particular are now reasonably well supplied with industrial parks is

indicated by the fact, mentioned in a previous section, that the only new commitments made during 1968-69 were a conditional grant of \$150,000 to Newcastle, N.B., and \$61,500 to Amherst, N.S., to improve a park toward which the Board had previously contributed \$350,000.

The Board followed the policy of requiring municipal and/or provincial participation in industrial park projects. Most of the larger municipalities had established industrial commissions and these organizations were well suited to own, maintain and promote the parks. The Board also believed it desirable to preserve flexibility in the degree and method of sharing in the financing of individual parks. This said, however, the Board established the general policy of paying one-third of the total first-phase costs of developing general purpose, speculative parks, a policy followed at Halifax County, Dartmouth, Truro, Moncton, Dorchester Point, Saint John and Fredericton. At Stellarton, where the industrial park was owned and operated by Industrial Estates Ltd., a provincial Crown corporation, the Board assumed the total cost of providing the water system and a general purpose building. At Point Edward, near Sydney, the park was federally owned and operated and the Board financed the entire cost of the first phase of development, pending transfer of the park to the Cape Breton Development Corporation. In smaller communities, where industrial development was based on the processing of a local resource or where following the general one-third policy would prove an undue hardship to the municipality, the Board agreed to assume a greater share of the cost. This was the case at Amherst, Sussex, Woodstock, Hartland, Newcastle and Summerside.

The Board's practice was that all assistance was covered by a formal agreement with the provincial government, with the province accepting the responsibility for ensuring that the parks were maintained and operated in the best interests of the people of the province.

The Board committed financial assistance in the following centres: Saint John, N.B.—\$450,000; Fredericton, N.B.—\$400,000; Moncton, N.B.—\$400,000; Dorchester Point, N.B.—\$1,500,000; Woodstock, N.B.—\$275,000 Hartland, N.B.—\$125,000; Sussex, N.B.—\$337,000; Newcastle, N.B.—\$150,000; Amherst, N.S.—\$411,500; Truro, N.S.—\$200,000; Dartmouth, N.S.—\$787,500; Halifax County, N.S.—\$560,000; Stellarton, N.S.—\$700,000; Point Edward, N.S.—\$3,350,000; Summerside, P.E.I.—\$150,000.

Miscellaneous Projects

Mapping and Land Registration

As long ago as 1904 in Nova Scotia and 1916 in New Brunswick legislation was passed to reform the land registry systems which had been in effect since the earliest days of settlement. This legislation was never proclaimed. But what was seen as desirable more than 50 years ago has become a pressing need today if there is to be efficient land-use planning, industrial development and natural resource exploitation.

Because of early haphazard and unplanned allocations of land, lack of fixed co-ordinates upon which to base land descriptions and maps, and a registry system that permits overlaps and gaps and makes no provision for verification of title, land records are incomplete and totally inadequate for the needs of a modern, expanding economy.

Early in 1968 the Board received approval to make grants of \$3,977,-000 to assist the four provinces with a surveying, mapping and land registration program. The grants—\$1,446,000 to New Brunswick, \$1,008,000 to Prince Edward Island, \$923,000 to Nova Scotia and \$600,000 to Newfoundland—were to cover 100 per cent of the costs during the years 1968-69 and 1969-70, but the complete program will extend over ten to 15 years at an estimated cost of up to \$20 million. The provinces were told that if additional assistance were to be extended beyond the two-year period, it would be on a cost-sharing basis.

The long-term goal of the program is to replace the costly and inefficient system of title searching and deed registration with the Torrens System, in use in much of the United States, Ontario and the Western Provinces. Its principle is that land is permanently registered, permitting the registrar of titles to provide quickly and accurately the material facts of ownership and boundaries. An integral part of the new system will be one or more data banks for the storing of a wealth of information through use of computers. In addition to information on land titles, the banks will record and store data on engineering services, such as the routes of highways, sewers, water and power lines, related to specific land markers; socio-economic data including population, size of families, age, incomes and levels of education of specific areas; and environmental factors, such as soil composition, mineral deposits, agricultural and forestry suitability.

The program is being administered by a full-time director working under a management committee consisting of representatives of each of the provinces, the Department of Regional Economic Expansion and the Department of Energy, Mines and Resources.

Production for Export Program

In recent years, a number of provinces, most notably Ontario, Quebec and Manitoba, have established programs to promote the sale of their products in foreign markets. The Atlantic Provinces, traditionally export-oriented, have had neither the financial nor the technical resources to undertake such activities. In much the same way as small regional firms have not been able to carry out applied research on their own, neither can they afford to undertake the market research that precedes the attempt to penetrate foreign markets.

The Production for Export program was started late in 1967 when M. R. M. Dale, a former Canadian Trade Commissioner, was assigned by the Department of Trade and Commerce to work with the Board. Early the following year, the Board and the three Maritime Provinces agreed to co-operate in sponsoring an Atlantic Canada exhibit at the Eastern States Exposition, being held at Springfield, Mass., in September. The Board was to provide technical assistance in seeking out firms with an export potential and reimburse the provinces for 75 per cent of their costs of participating, up to a maximum of \$45,000. Twenty-eight firms exhibited their products at the show, attended by more than 700,000 people. Over-the-counter sales amounted to approximately \$300,000, with more than \$1 million in new business being generated.

The second project in the Production for Export program was undertaken in November 1968 when Mr. Dale accompanied marketing officers from each of the Atlantic Provinces on a three-week tour of the Caribbean, once a major market for the region's primary products. The purpose of the visit was to familiarize the marketing officers with the changing structure of the West Indian economy in the hope that it would lead to the re-establishment of the region in a "natural" market which had been taken over increasingly by other countries. The group found that, despite formidable obstacles, particularly in transportation, the Caribbean did offer distinct possibilities for increased exports. As a result, ten firms sent sales representatives to the area, some reporting success.

At its December 1968 meeting the Board recommended that \$225,000 be made available for the Production for Export program in 1969-70. This was approved by Treasury Board after the Board went out of existence. A

feature of the 1969-70 program will again be participation in the Eastern States Exposition.

Attendance at trade fairs is, however, only the frosting on the cake. The basic objectives of the program are to identify firms having an export potential; to stimulate them to seek out new opportunities for export; and to assist them in adopting scientific marketing methods and tailoring their production to the demands of export markets. It is intended that the program be a continuing one, involving follow-up, evaluation and assessment of new export business. Thus, the program is a logical extension of the incentives legislation of the Department of Regional Economic Expansion to encourage industry to locate or expand production facilities in the Atlantic region.

Strait of Canso Development

Early in 1968, after months of negotiations, several federal departments and agencies reached agreement with the Nova Scotia government and the British American Oil Co. Ltd. (now Gulf Oil) for the construction of a \$50 million, 60,000 barrel-a-day oil refinery at Point Tupper on Cape Breton Island, an industry that is expected to become the cornerstone of a large petrochemical complex. The federal government agreed to assist the project through the Board, the Cape Breton Development Corporation, the Department of Public Works and the Area Development Agency. The Board's contribution was to consist of a \$3,300,000 loan to finance a water supply system for the industrial complex and a grant of \$1,095,000 representing half the cost of certain road and rail facilities to the industrial area.

Fund for Pollution Control

The Board became concerned with the problem of industrial pollution both through its involvement in financing industrial water systems and as a result of the increasing awareness on the part of the provincial governments and the public alike that water pollution could have a detrimental effect on the economic development of the region. Under the legislation passed by all four provinces, all new industrial undertakings were required to take steps to control water pollution before being allowed to operate, but the legislation did not cover existing plants which would have been forced to make extensive and expensive alterations in their facilities.

In 1965 the Board received approval for an amount of \$2 million for assistance to existing firms for abatement of industrial water pollution on fresh water stretches of Atlantic rivers. The amount of assistance was based on a formula worked out by the joint federal-provincial committee administering the program, whereby the payment was related to the abatement of biochemical oxygen demand (B.O.D.) of plant effluent.

By March 31, 1969, payments of only \$29,334 had been made from the fund, but a number of substantial payments are expected within the next two years, particularly to firms located on the Saint John River, where pollution had become extremely serious. The fact that relatively few of the firms eligible for assistance have come forward with pollution-control plans reflects, in part, the financial problems faced by companies in undertaking the necessary expenditures. However, the mere existence of the Board's fund, as well as the Board's frequent warnings about pollution, have had the salutary effect of helping to focus on the problem the attention of industry, the public and governments at all levels.

Assistance for Sydney Steel

In May 1967, the government of Nova Scotia and the Board purchased from the Dominion Steel and Coal Corp. Ltd. bulk-handling facilities at Dosco's Sydney steel plant under a three-way agreement by which the provincial government and the Board would each contribute \$2 million to the company with Dosco to invest an equivalent amount in new capital in the ailing Sydney plant. The two governments were to be reimbursed with interest through user charges on a tonnage basis.

This arrangement was frustrated when Dosco announced its decision, in October 1967, to close the plant, which, along with the coal industry, formed the economic base of industrial Cape Breton. Nova Scotia then assumed ownership, operating the plant under Sysco, a Crown corporation, and Parliament voted \$2 million to the Board as a grant to the province to assist in defraying operating expenses. The Board's \$2 million interest in the bulk-handling facilities was later turned over to the province, bringing its assistance to \$4 million.

Special Assistance for Bell Island, Nfld.

Following the closing by Dosco of its iron-ore mining operations at Wabana, the sole industry on Bell Island, a federal interdepartmental committee headed by Dr. Weeks was appointed by the Cabinet to investigate all aspects of the problem, in close consultation with the provincial government. After extensive efforts to have private interests reopen the mine failed, the committee concluded there was no possibility of re-establishing a viable economic base on the Island and recommended special assistance, over and above that available under existing programs, to encourage the workers and their families to move off the Island to areas where there were employment opportunities.

As part of this special assistance, Parliament voted to the Board a fund of \$1,500,000 to purchase, for \$1,500 each, the houses of Bell Islanders who

agreed to relocate. The Board was to assume 75 per cent of the cost and the provincial government 25 per cent. By March 31, 1969, the Board had paid out \$376,875. Of the \$250,000 which Parliament voted to the Board to supplement existing manpower mobility programs, \$133,520 had been spent as of March 31.

The provisions of the Bell Island program were unique, involving federal government acceptance of a degree of responsibility when closure of a community's single industry completely destroys housing values. Nonetheless, the program was not as successful as had been hoped, in that approximately 6,500 persons still remain on Bell Island, few of them employed. Immediately preceding closure of the mine, the population was about 8,500. Bell Island is not a "typical" community by any standard and its problems may not be encountered elsewhere, at least to the same degree. But in a heightened form Bell Island illustrates the difficulty of bringing about economic, social and geographic mobility in isolated communities which have become inured over many decades to a settled pattern of life and whose economic base has disappeared.

Potash Exploration in Nova Scotia

In 1965 and 1966 the Board provided a total of \$265,801 to assist Nova Scotia with a potash exploration program in Cumberland County. When low-grade ore was discovered, the Board and the provincial government agreed that in order to determine more accurately the quality and extent of the deposits, they would offer incentives to encourage further exploration by private interests. In May 1968 the Board received approval to enter into a \$600,000 program, whereby the Board would contribute \$225,000, 37½ per cent, and the provincial government \$75,000, 12½ per cent, with private industry to match the contributions of the two governments. Only in the event that commercial production of potash or other salts resulted were the governments to be reimbursed.

As of March 31, 1969, a number of inquiries had been made but no agreement had been reached with a private company. It is hoped that with the return to higher potash prices in world markets, the program will lead to further exploration. If successful, the potash program might serve as the prototype for proving some of the other numerous mineral deposits in the region.

TECHNICAL AND ECONOMIC SURVEYS AND STUDIES

The Board, whenever possible, utilized the findings of research conducted by other government agencies, federal and provincial. Nonetheless, during its six years, in addition to the research carried out by its own staff, the Board found it necessary to finance or to assist in financing approximately 80 separate studies on a wide variety of subjects. Usually the work was done by private research organizations under the direction of Board staff. Payment was made from the Board's annual Administration and Operation vote and did not constitute a charge on the Atlantic Development Fund.

Generally these studies, listed in the Addendum to Schedule 3 of Appendix I, were of three types:

—Those which were carried out for a specific purpose and to meet an immediate need, such as an engineering study on the water supply for a fish plant or a survey of an area's industrial park needs.

—Those which were undertaken as part of the work of the Planning Division, involving an examination of a sector or one aspect of the regional economy, the comprehensive study of water resources, the examination of the structure and function of urban centres and the Deep Water Harbour Study being but three examples.

—Those which dealt with a pressing local or regional problem but which were not directly and immediately associated with the Board's planning or programming activities. In an earlier section of this report, it was noted that its "gap-filler" role made the Board a convenient vehicle for administering special assistance programs for the region. Equally, the Board proved to be a convenient vehicle for financing a number of special studies, sometimes assuming the full cost and sometimes sharing it with other government agencies. Among such studies were: investigations into foundation conditions for tidal power development in the Bay of Fundy; beneficiation research on Bell Island, Nfld., iron ore; the multiple industry complex study carried out by the New Brunswick Development Corp.; engineering investigations into harbour facilities at Belledune Point, N.B.; the Cape Breton Municipal Government Study; the study into the marketing of Sydney steel products; the Halifax Harbour Land Use Study; and the Maritime Union Study.

The derisive claim has sometimes been made that the Atlantic Provinces are the most studied area in the world; the contrary assertion has also been

voiced: that regional development programs have been devised for the Atlantic Provinces without adequate long-term planning. The Board subscribed to neither view. Until the causes of the Atlantic region's economic malaise were fully known and specific remedies prescribed, there could not be too much planning or too many studies. The Board's experience was that long- and short-term planning should be carried on simultaneously, with each continuously interacting on the other.

THE BOARD AS CO-ORDINATOR

The Board increasingly found itself being called upon to act as a co-ordinator in matters of concern to the four Atlantic Provinces individually, or to the region as a whole. These co-ordinating functions were assumed not so much as a responsibility assigned by legislation, but because of the Board's unique interest in the region's economy. Acquainted with the policies and personnel of the provincial governments and other departments and agencies of the federal government, the Board's staff of highly flexible "generalists" was well suited for filling this ad hoc role.

Co-ordination, as has been explained in earlier sections, was a feature of all the Board's activities, in that no project or study concerned the Board alone. The provinces, of course, were involved in every project and study, if only to the extent that their comments were solicited. Municipal governments, as well as semi-public and private agencies, were also frequently consulted. Finally, in a great number of projects and studies, at least one other federal department or agency was associated, usually in an advisory capacity but sometimes by way of a direct financial contribution.

In addition to those projects and studies which the Board assisted financially, the Board's staff played a catalytic role in a number of others. It was in this area of "quiet diplomacy" that staff members, especially Dr. Weeks, did much of their work and in which they made some of their greatest contributions.

For example, after being directed to organize the negotiations for the Saint John Harbour Bridge, the Board was able to expedite action by the various federal, provincial and municipal agencies interested in the project.

Perhaps the most time-consuming and complex co-ordination assignments were in respect of proposed major industrial developments at Stephenville and Come-by-Chance in Newfoundland. Besides the provincial government and private companies, these negotiations involved the departments of Industry, Transport, Justice, Public Works, Forestry and Rural Development, and Energy, Mines and Resources.

As noted elsewhere in this report, the Board made funds available for the abatement of water pollution, but an equally important contribution in this field was the Board's co-ordination of joint industry-federal-provincial efforts to reduce industrial pollution.

Throughout its existence, the Board was extremely active in the federal-provincial effort to rehabilitate the economy of Cape Breton Island, carrying out a number of studies and making commitments for projects of approximately \$14.6 million. In addition, Dr. Weeks headed the committee which operated the former Point Edward naval base and supervised its transformation into an industrial park. The Board also helped to co-ordinate the negotiations which led to establishment of a large oil refinery at the Strait of Canso. In Newfoundland, the Board assumed the major co-ordinating function in dealing with the Bell Island problem, described elsewhere in this report.

POSTSCRIPT

On April 1, 1969, all Atlantic Development Board staff members were transferred automatically to the Department of Regional Economic Expansion, as were the Board's files, studies and outstanding commitments.

It would be premature to attempt at this time to measure the overall effect of the Board's efforts. Certainly, the per capita income gap existing between the region and the rest of Canada has narrowed only minutely. This is not surprising in view of the long-standing and deep-rooted nature of the region's problems; indeed, even keeping pace with the rest of the country during a period of rapid national growth has been no mean feat. Moreover, it is only in the last year or two that the major impact of the Board's programs has begun to be felt. The first stages of Bay d'Espoir and Mactaquac went on stream as recently as October 1967 and April 1968 respectively. The extension to the Trenton thermal plant has not yet been completed. Many of the trunk highways assisted by the Board were opened only last year and many were not due for completion until the 1969 season. The large research laboratories built by the Board in Halifax and Fredericton are not yet in full operation.

It can be said, however, that a significant beginning was made in providing the Atlantic region with the type of foundation it requires if the people of the Atlantic Provinces are to share fully in the fruits of Canada's prosperity. The ADB was, in dollar terms, by far the federal government's major regional development program in the Atlantic Provinces, the Board's expenditures of \$143 million exceeding by several times the combined spending of ARDA, FRED and ADA in the region.

With the Board's help, the region generally, for the first time and for the time being at least, has adequate supplies of reasonably priced power; great strides were taken in building a network of all-weather highways, vital for a competitive transportation system; nearly every major centre in the region now has serviced industrial land available to industry at reasonable prices; provincial research foundations, provided with the facilities that permit them to meet the technical and research needs of industry, will themselves act as attractions to industry; the major universities are developing post-graduate facilities that will enable them to become national centres of learning in fields of direct relevance to the regional economy, enhancing the growth and attractiveness of their host cities in the bargain; fish-processing plants were supplied with water at no capital cost to them or the provincial governments.

Although it was unable to complete its overall plan, the Board left a legacy of research that went deeper than ever before into the region's fundamental problems and which will help to point the way to its successors.

Appendix I

AUDITOR GENERAL OF CANADA

Ottawa, June 30, 1969.

To: THE HONORABLE JEAN MARCHAND

Minister of Regional Economic Expansion

I have examined the accounts and financial transactions of the Atlantic Development Board for the year ended March 31, 1969 as required by section 18 of the Atlantic Development Board Act. My examination included a general review of the accounting procedures and such tests of the accounting records and other supporting evidence as I considered necessary in the circumstances.

The Atlantic Development Board Act was repealed on April 1, 1969 and, accordingly, the Atlantic Development Board and the Atlantic Development Fund ceased to exist on that date. The outstanding commitments of the Board at March 31, 1969 however, will be honoured by the Department of Regional Economic Expansion which was established on April 1, 1969 by the Government Organization Act, 1969.

In my opinion, the Statement of Expenditure and the supporting schedules present fairly a summary of the financial transactions of the Board for the year ended March 31, 1969.

A. M. HENDERSON,
Auditor General of Canada

ATLANTIC DEVELOPMENT BOARD

Statement of Expenditure for the year ended March 31, 1969 (with comparative figures for the year ended March 31, 1968 and cumulative figures from the establishment of the Board on December 20, 1962 to March 31, 1969)

	1969	1968	Cumulative to March 31, 1969
<i>Program Expenditure</i>			
Atlantic Development Fund (Schedule 1)			
Power.....	\$ 6,242,622	\$ 7,395,541	\$ 52,699,204
Water supply and/or sewage systems.....	6,843,646	3,766,376	13,800,531
Trunk highway program.....	1,432,661	1,280,579	11,076,002
Access roads.....	119,336	144,389	674,542
Industrial park facilities.....	1,535,053	1,507,211	5,539,798
Research facilities.....	1,718,768	1,851,252	4,051,637
Miscellaneous projects.....	2,923,556	2,679,528	5,656,640
Sundry expenditure.....	1,774	3,552	16,148
	20,817,416	18,628,428	93,514,502
Parliamentary appropriations of the Department of Transport:			
Vote 112 of 1965-66 and Vote 95a of 1967-68 Trunk highway program (Schedule 2).....	16,933,806	19,283,085	46,869,150
Vote 100a of 1967-68 (Note)			
Special housing assistance to residents of Bell Island.....	142,875	234,000	376,875
Mobility assistance to residents of Bell Island moving to other parts of Canada.....	72,516	61,004	133,520
Vote 92c			
Grant to the Government of Nova Scotia to assist in defraying the expenses of operating the former Dominion Steel and Coal Corporation Limited Steel Plant at Sydney, Nova Scotia.....	—	2,000,000	2,000,000
	\$ 17,149,197	\$ 21,578,089	\$ 49,379,545
Total expenditure on programs, projects, etc.	37,966,613	40,206,517	142,894,047
<i>Administration and Operation Expenditure</i>			
Planning, programming, professional and technical services and general administration (Schedule 3).....	2,070,459	2,265,015	7,915,782
Total expenditure.....	\$ 40,037,072	\$ 42,471,532	\$ 150,809,829

NOTE:

The amount remaining available under Department of Transport Vote 100a for assistance to residents of Bell Island amounted to \$1,239,605 at March 31, 1969.

Certified correct:

E. P. WEEKS

Executive Director

Approved:

JOS. A. LIKELY

Vice-Chairman

I have examined the above Statement of Expenditure and related Schedules for the year ended March 31, 1969 and have reported thereon under date of June 30, 1969 to the Minister of Regional Economic Expansion.

A. M. HENDERSON

Auditor General of Canada

Schedule 1

ATLANTIC DEVELOPMENT BOARD

**Statement of Projects Approved and Cumulative Expenditure from the
Atlantic Development Fund from the establishment of the Board
on December 20, 1962 to March 31, 1969**

	<i>Projects Approved</i>	<i>Cumulative Expenditure to March 31, 1969</i>	<i>Outstanding Commitments</i>
Power			
Bay d'Espoir, Nfld.—			
Hydro-electric power development.....	\$ 20,000,000	\$ 20,000,000	
Mactaquac, N.B.—			
Hydro-electric power development.....	20,000,000	20,000,000	
Nova Scotia Power Commission—			
Thermal power plant at Trenton, N.S....	12,000,000	8,519,626	\$ 3,480,374
Newfoundland and Labrador Power Commission—			
Conversion to 60 cycles.....	4,000,000	3,999,999	1
Maccan to Amherst, N.S.—			
Grant towards cost of power line.....	112,800	112,800	
Power cable to link Prince Edward Island with mainland.....	100,000	66,779	33,221
	56,212,800	52,699,204	3,513,596
Water supply and/or sewage systems			
Fortune, Harbour Grace, Port Union, Fermeuse and Isle aux Morts, Nfld.....	3,297,981	2,552,107	745,874
Trepassey, Bay de Verde, Burgeo, Gaultois, St. Anthony, Englee and Twillingate, Nfld.....	2,797,462	2,014,393	783,069
Mooring Cove, Nfld.....	1,374,000	1,251,201	122,799
Long Harbour, Nfld.—Phosphorus Plant...	1,250,000	884,817	365,183
Nackawic, N.B.....	1,250,000	—	1,250,000
Caraquet, N.B.....	1,112,000	40,012	1,071,988
Dalhousie Area, N.B.....	1,100,000	908,192	191,808
Shelburne, N.S.....	890,000	49,139	840,861
Georgetown, P.E.I.....	885,000	801,722	83,278
Alder Point, N.S.....	833,000	389,125	443,875
Canso, N.S.....	782,691	763,909	18,782
Black's Harbour, Wellington, Beaver Harbour, N.B.....	690,000	—	690,000
Falmouth, N.S.....	600,000	—	600,000
Florenceville, N.B.....	565,000	178,591	386,409
Shippegan, N.B.....	531,437	508,049	23,388
Ramea, Nfld.....	492,000	65,717	426,283
Middle East Pubnico, N.S.....	487,000	434,744	52,256
Dildo South, Nfld.....	477,000	274,580	202,420
Bonavista, Nfld.....	321,917	305,505	16,412
Oxford, N.S.....	300,000	—	300,000
North Rustico, P.E.I.....	282,000	253,139	28,861

Schedule 1 (cont'd)

	<i>Projects Approved</i>	<i>Cumulative Expenditure to March 31, 1969</i>	<i>Outstanding Commitments</i>
Woodstock, N.B.....	275,000	269,722	5,278
Old Perlican, Nfld.....	270,000	161,359	108,641
Lockeport, N.S.....	255,000	219,062	35,938
East River in Lunenburg County, N.S.....	250,000	245,636	4,364
Riverport, N.S.....	242,000	159,747	82,253
Lower East Pubnico, N.S.....	220,975	204,399	16,576
Montague, P.E.I.....	186,429	177,365	9,064
Bridgetown, N.S.....	180,000	—	180,000
Port Mouton, N.S.....	154,286	139,687	14,599
Newtown, Nfld.....	150,000	131,602	18,398
Hants Harbour, Nfld.....	145,000	—	145,000
Cheticamp, N.S.....	140,000	97,373	42,627
Hartland, N.B.....	125,000	125,000	—
Lunenburg, N.S.....	105,000	7,143	97,857
Milltown, N.B.....	100,000	100,000	—
Witless Bay, Nfld.....	90,000	3,996	86,004
Souris, P.E.I.....	70,000	37,842	32,158
Grand Etang, N.S.....	46,629	45,656	973
	23,323,807	13,800,531	9,523,276
<i>Trunk Highway program</i>			
Province of New Brunswick.....	3,000,000	3,000,000	—
Province of Newfoundland.....	3,000,000	3,000,000	—
Province of Nova Scotia.....	3,000,000	3,000,000	—
Province of Prince Edward Island.....	2,500,000	2,076,002	423,998
	11,500,000	11,076,002	423,998
<i>Access road to selected fishing ports</i>			
Province of Prince Edward Island.....	675,000	674,542	458
<i>Industrial Park facilities</i>			
Point Edward, N.S.....	3,350,000	1,456,184	1,893,816
Dorchester Point, N.B.....	1,500,000	1,471,296	28,704
Burnside (Dartmouth), N.S.....	787,500	233,286	554,214
Stellarton, N.S.....	700,000	700,000	—
Lakeside, N.S.....	560,000	485,136	74,864
Saint John, N.B.....	450,000	247,781	202,219
Amherst, N.S.....	411,500	350,000	61,500
Moncton, N.B.....	400,000	216,436	183,564
Fredericton, N.B.....	400,000	24,000	376,000
Truro, N.S.....	200,000	162,659	37,341
Newcastle, N.B.....	150,000	—	150,000
Summerside, P.E.I.....	118,327	118,020	307
Sydney, N.S.....	75,000	75,000	—
	9,102,327	5,539,798	3,562,529

Schedule I (cont'd)

	<i>Projects Approved</i>	<i>Cumulative Expenditure to March 31, 1969</i>	<i>Outstanding Commitments</i>
<i>Research facilities</i>			
Financial assistance for new research laboratories, equipment, etc.			
Memorial University, Nfld.....	3,000,000	—	3,000,000
University of New Brunswick, Fredericton, N.B.....	2,556,000	—	2,556,000
Fredericton, N.B.....	2,355,279	1,808,874	546,405
Halifax—Dartmouth, N.S.....	2,350,000	2,212,731	137,269
Dalhousie University Aquatron, N.S.....	2,000,000	—	2,000,000
Provincial Department of Natural Resources, N.B.—geochemical laboratory	50,000	30,032	19,968
Nova Scotia Technical College, Halifax, N.S.....	50,000	—	50,000
	12,361,279	4,051,637	8,309,642
<i>Miscellaneous projects</i>			
Strait of Canso Development, N.S.....	4,395,000	24,000	4,371,000
Mapping and Land registration.....	3,977,000	348,021	3,628,979
Bulk handling facilities at Dosco plant, Sydney, N.S.....	2,001,301	2,000,650	651
Abatement of industrial water pollution.....	2,000,000	29,334	1,970,666
Assistance to Nova Scotia for settling-in assistance to industry.....	1,200,000	1,200,000	—
Highway, Long Harbour to Argentia-Placentia area, Nfld.....	1,000,000	778,141	221,859
Assistance towards construction of causeway, Pictou County, N.S.....	750,000	—	750,000
Confederation Centre, Charlottetown, P.E.I.....	600,000	556,000	44,000
Assistance towards construction of certain tourist and recreational projects, P.E.I.....	570,000	—	570,000
Assistance in construction of basic services for food processing, Sussex, N.B.....	337,000	290,217	46,783
Potash exploration program, N.S.....	225,000	—	225,000
Maritime union study, N.B., P.E.I. and N.S.	125,000	125,000	—
Port de Grave, Nfld.....	100,000	85,919	14,081
Boglands clearing, Burin Peninsula, Nfld...	87,891	79,303	8,588
Repairs to marine railway, St. Anthony, Nfld.....	64,000	63,977	23

Schedule I (conc'd)

	<i>Projects Approved</i>	<i>Cumulative Expenditure to March 31, 1969</i>	<i>Outstanding Commitments</i>
<i>Miscellaneous projects (conc'd)</i>			
Provision of basic services, Dover Flour Mills, Halifax, N.S.....	64,000	—	64,000
Causeway construction, Montague, P.E.I....	40,000	40,000	—
Rail spur line, Summerside, P.E.I.....	32,000	19,130	12,870
Water pollution metering equipment.....	10,000	9,356	644
Caribbean familiarization tour (Export markets).....	8,000	7,592	408
	<hr/> 17,586,192	<hr/> 5,656,640	<hr/> 11,929,552
<i>Sundry expenditure</i>	<hr/> 16,148	<hr/> 16,148	<hr/> —
	<hr/> \$130,777,553	<hr/> \$ 93,514,502	<hr/> \$ 37,263,051

Schedule 2

ATLANTIC DEVELOPMENT BOARD

Statement of the Trunk Highway Program Expenditure
from Parliamentary Appropriations cumulative to March 31, 1969

	<i>Approved by the Governor in Council</i>	<i>Cumulative Expenditure to March 31, 1969</i>	<i>Outstanding Commitments</i>
(Note)			
Province of New Brunswick.....	\$ 16,500,000	\$ 15,391,311	\$ 1,108,689
Province of Nova Scotia.....	16,500,000	14,232,441	2,267,559
Province of Newfoundland.....	16,500,000	12,329,209	4,170,791
Province of Prince Edward Island.....	5,500,000	4,916,189	583,811
	<hr/> <hr/> <hr/> <hr/>	<hr/> <hr/> <hr/> <hr/>	<hr/> <hr/> <hr/> <hr/>
	\$ 55,000,000	\$ 46,869,150	\$ 8,130,850

NOTE:

The amounts approved by the Governor in Council represent the Federal Government's share of costs under agreements with the four Atlantic provinces for which funds have been provided by Department of Transport Vote 112 of 1965-66 and Vote 95a of 1967-68. In addition, the Governor in Council has approved \$11,500,000 as the Federal Government's share of costs of this program to be provided from the Atlantic Development Fund, from which \$11,076,002 has been disbursed (see Schedule 1).

ATLANTIC DEVELOPMENT BOARD

**Statement of Administration and Operation Expense
for the year ended March 31, 1969**

(with comparative figures for the year ended March 31, 1968
and cumulative figures from the establishment of the Board
on December 20, 1962 to March 31, 1969)

	<i>1969</i>		<i>Cumulative to March 31, 1969</i>
Planning, programming and general administration—			
Salaries.....	\$ 660,718	\$ 583,174	\$ 2,101,547
Employee benefits.....	42,951	32,710	124,306
Accommodation.....	42,200	39,400	141,600
Travel and removal expenses.....	41,076	52,069	207,929
Accounting services.....	37,100	35,100	113,300
Office equipment and supplies.....	29,398	34,712	121,622
Telephone and telegraph.....	22,735	21,610.	80,059
Publication of departmental reports and other material.....	13,970	2,335	19,905
Other.....	13,342	26,565	67,392
	903,490	827,675	2,977,660
Professional and technical services.....	1,166,969	1,437,340	4,938,122
Total expense.....	2,070,459	2,265,015	7,915,782
Total expense provided for by—			
Regional Development Vote 1			
(Department of Regional Economic Expansion).....	1,986,559	2,190,515	7,656,282
Government departments which provided accommodation and accounting services without charge.....	83,900	74,500	259,500
	\$ 2,070,459	\$ 2,265,015	\$ 7,915,782

ATLANTIC DEVELOPMENT BOARD

**Expenditure on Technical and Economic Surveys and Studies
for the year ended March 31, 1969**

(With comparative figures for the year ended March 31, 1968 and
cumulative figures from the establishment of the Board
on December 20, 1962 to March 31, 1969)

	1969	1968	Cumulative to March 31, 1969
Study of demand for and supply of water resources in Nova Scotia, New Brunswick and Prince Edward Island.....	\$ 370,592	\$ 418,189	\$ 788,781
Study of demand for and supply of water resources in Newfoundland and Labrador.....	111,202	428,792	539,994
Study of evaluation of industrial potential of Newport plan.....	57,502	8,469	65,971
Study of local government in Cape Breton, N.S.....	53,333	—	53,333
Study of the highway requirements in the Greater Halifax area.....	50,492	—	50,492
Updating of input and output study.....	48,195	16,142	64,337
Study of administrative framework of water resources in the Atlantic provinces.....	40,989	19,961	60,950
Evaluation of the study of the water resources of the Atlantic provinces.....	38,961	27,408	66,369
Study of legal framework respecting water resources in the Atlantic provinces.....	36,564	32,132	68,696
Study of the fresh and processed fruit and vegetable canning and preserving industry in the Atlantic provinces.....	25,122	—	25,122
Study of the furniture and fixture industry in the Atlantic provinces.....	22,999	—	22,999
Study of water supplies in Charlotte County and Caraquet areas of New Brunswick.....	22,872	33,613	142,441
Investigation of the yield from the Noel's Pond and Long Gull Pond catchment area.....	22,339	—	22,339
Study of water supplies in Alder Point, Isle Madame-St. Peters, Cape Sable Island and Digby Neck, N.S.....	21,202	39,879	133,859
Preparation and edition of Board's reports for publication.....	20,190	1,536	21,726

Regional Trade Show.....	19,350	—	19,350
Study of the paper converting industry of the Atlantic provinces.....	19,200	—	19,200
Study of the water supply of the Greater Halifax-Dartmouth area.....	19,000	—	19,000
Study of stock and flow of postsecondary teachers and other staff in the Atlantic provinces.....	14,995	—	14,995
Study of the operations and organisation of the Atlantic Development Board.....	13,963	—	13,963
Study of factors affecting projections of enrolment at the elementary, secondary and post-secondary levels of education.....	10,095	2,665	12,760
Study of the asbestos products industry for the Atlantic provinces.....	10,000	—	10,000
Public information consultants services.....	8,874	—	14,944
Study to develop methods of alleviating mine water pollution in New Brunswick.....	8,015	—	8,015
Study for the improvement of the water supply to the fish plant at Grand Bank, Nfld.....	7,422	—	7,422
Study of structure and function of urban centres in the Atlantic provinces.....	7,392	69,156	156,321
Office services.....	5,775	2,676	14,902
Study of economics of the fishing industry in the Atlantic provinces.....	5,000	5,000	10,000
Study of the regional aspects of foreign ownership of manufacturing in Canada.....	5,000	—	5,000
Study of the canvas products industry of the Atlantic provinces.....	5,000	—	5,000
Study of the water supply in the Greater Halifax area.....	5,000	—	5,000
Contribution towards an air cushion principle study.....	5,000	—	5,000
Periodic reports by Atlantic Provinces Economic Council.....	5,000	8,790	13,750
Study of the structure of the economy of the Atlantic region.....	4,815	3,408	14,076
Investigation of water supply in Bay St. George, Stephenville, Nfld.....	4,000	207	44,000
Study of barriers to manpower mobility in economically lagging areas of Newfoundland, Labrador, Nova Scotia, New Brunswick and Quebec (cost shared with Department of Manpower and Immigration and Forestry and Rural Development).....	3,500	—	38,500
Study of education as a factor in the growth of the Atlantic provinces.....	2,949	7,803	27,789
Study of potential industrial sites in Halifax area.....	2,500	10,000	22,500
Survey of water resources of North Rustico, Prince Edward Island.....	983	17,419	23,813
Comprehensive study of forestry in the Atlantic provinces.....	954	14,424	47,257
Study of the effects of the Northumberland Strait Causeway upon Prince Edward Island.....	838	34,178	35,016
Layout and design of proposed water front industrial park at site of former Point Edward Naval Base, Cape Breton.....	(185)	20,143	36,804
Study of tourist industry in Newfoundland, New Brunswick and Nova Scotia.....	—	79,948	374,707
Study of the comparative advantage of agricultural enterprises in Nova Scotia, New Brunswick and Prince Edward Island.....	—	37,200	58,200
Study of water supplies and needs in the St. Mary's Bay area, Nfld.....	—	17,988	17,988
Study of ground water resources in Nova Scotia.....	16,320	—	26,500

Addendum to Schedule 3 (cont'd.)

	1969	1968	Cumulative to March 31, 1969
Development plan for Ernest Harmon Air Base, Stephenville, Nfld.	—	10,000	40,000
Study of social strategy for economic development	—	10,000	10,000
Study of industrial park needs of Metropolitan area of St. John's, Nfld.	—	9,000	25,000
Study of Saint John Harbour Bridge Throughway complex	—	8,014	8,014
Survey of Water Supplies at Witless Bay, Nfld.	—	6,211	6,211
Study of special problems and proposals	—	6,119	14,437
Study of marketing possibilities for Sydney steel	—	5,000	5,000
Study of the economics of the fishing industry in the Atlantic provinces	—	5,000	5,000
Study of agriculture in the Atlantic provinces	—	2,435	16,461
Investigation of water supplies to fish processing plants and water resources survey at Trepassey, Nfld	—	231	118,870
Study of water supplies and needs in Placentia, Nfld.	(180)	—	19,501
Beneficiation research program on Wabana iron ore, Bell Island, Nfld.	—	—	300,000
Study of potash exploration in Nova Scotia	—	—	265,801
Study of inter-industry flow of goods and services in the Atlantic provinces	—	—	105,000
Foundation investigations for tidal power development in Upper Bay of Fundy, N.B.	—	—	100,000
Engineering investigations for deep water harbour, ore dock and ancillary facilities at Belledune Point, N.B. (cost shared with Department of Public Works)	—	—	86,253
Investigation for a possible power site at Minas Basin, Bay of Fundy	—	—	70,000
Study of industrial park needs at various centres in New Brunswick and Nova Scotia	—	—	55,000
Study of demand and supply for hardwood in the Atlantic provinces	—	—	50,000
Consultants services re power and natural resources	—	—	47,205
Industrial opportunities study in Cape Breton, N.S.	—	—	32,000
Economic survey of Bell Island, Nfld	—	—	26,661
Economic study of grain trade via Atlantic ports	—	—	25,000
Study of trans-Atlantic container shipping operations from ports of Halifax, N.S. and Saint John, N.B.	—	—	23,976
Study of water resources in New Brunswick	—	—	21,163

Study and investigation of purification of salt water for use in fish processing plants.....	19,947
Study of industrial park needs of Edmundston, N.B.....	15,000
Water supply study at Come-by-Chance, Nfld.....	12,800
Marketing study of selected steel products of Sydney, N.S.....	12,776
Engineering investigation of suitable water supply system for fishing plant at Shippegan, N.B.....	11,310
Engineering and economic feasibility studies re submarine cable between Prince Edward Island and mainland.....	10,000
Preliminary study of economic aspects of effects on Atlantic ports of winter navigation in St. Lawrence River and Gulf of St. Lawrence.....	10,000
Study of industrial park needs in Charlottetown, P.E.I.....	10,000
Study of waste products of food and beverages industries in the Atlantic provinces.....	9,600
Study of manufacturing opportunities in the Atlantic region.....	7,700
Study of development of Newfoundland economy since Confederation.....	7,000
Industrial location study.....	—
Agriculture land mapping project.....	5,841
Sundry projects for less than \$5,000 each.....	5,000
	75,414
	<hr/>
\$ 1,166,969	\$ 1,437,340
	<hr/>
	\$ 4,938,122

11 ELIZABETH II.

CHAP. 10

An Act to provide for the establishment of an Atlantic Development Board.

[Assented to 20th December, 1962.]

HER Majesty, by and with the advice and consent of the Senate
and House of Commons of Canada, enacts as follows:

SHORT TITLE.

1. This Act may be cited as the *Atlantic Development*^{Short title.}
Board Act.

INTERPRETATION.

2. In this Act, Definitions.

- (a) "Atlantic region" means the region comprising the "Atlantic region."
Provinces of New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland;
- (b) "Board" means the Atlantic Development Board "Board"
established by section 3; and
- (c) "Minister" means such member of the Queen's Privy "Minister"
Council for Canada as may from time to time be
designated by the Governor in Council to act as the
Minister for the purposes of this Act.

ATLANTIC DEVELOPMENT BOARD

3. A corporation is hereby established to be known as ^{Board}_{established.}
the Atlantic Development Board, consisting of five members to be
appointed by the Governor in Council as provided in section 4.

4. (1) Each of the members of the Board shall be appointed ^{of members.}
pointed to hold office for a term of five years, except that of those
first appointed one shall be appointed for a term of three years
and two shall be appointed for a term of four years.

(2) One of the members of the Board shall be appointed ^{Chairman.}
to be the chairman thereof.

(3) A retiring chairman or other member of the Board is eligible for reappointment to the Board in the same or another capacity.

Travelling and living expenses.

5. (1) The members of the Board shall serve without remuneration, but are entitled to be paid reasonable travelling and living expenses while absent from their ordinary place of residence in the course of their duties under this Act.

Honorarium to chairman.

Notwithstanding subsection (1), the chairman of the Board may be paid such amount per annum as an honorarium as may be approved by the Governor in Council.

Quorum.

6. Three members constitute a quorum of the Board.

Vacancy.

7. A vacancy in the membership of the Board does not impair the right of the remainder to act.

Absence, etc., of chairman.

8. The Board may designate one of its members to be vice-chairman of the Board, who shall, in the event of the absence or incapacity of the chairman or if the office of chairman is vacant, act as chairman.

OBJECTS AND POWERS

Objects and powers.

9. (1) The objects of the Board are to inquire into and report to the Minister upon measures and projects for fostering the economic growth and development of the Atlantic region of Canada, and, without limiting the generality of the foregoing, the Board may, in furtherance of its objects,

- (a) prepare on a systematic and comprehensive basis, and revise as required in the light of changing circumstances, an assessment of factors relevant to economic growth in the Atlantic region;
- (b) keep under constant review appropriate methods of furthering the sound economic development of the Atlantic region, whether such methods involve new measures and projects or the removal or mitigation of existing factors that may be considered to inhibit such development;
- (c) with respect to particular measures or projects that may be referred to it by the Minister, inquire into, assess and report to the Minister upon the feasibility of such measures or projects and the effect thereof in relation to the economy of the Atlantic region, and make recommendations to the Minister with respect to any such measures or projects that in the opinion of the Board would significantly contribute to the growth and development of the economy of the Atlantic region; and

(d) consider and report to the Minister upon any other matters that in the opinion of the Board may usefully be considered by it having regard to the need for a continuing sound economic development of the Atlantic region.

(2) The Board shall, to the greatest possible extent ^{Duty of co-operation.} consistent with the performance of its duties under this Act, co-operate with the National Economic Development Board, the National Productivity Council and all departments, branches and other agencies of the Government of Canada having duties related to, or having aims or objects related to those of the Board.

ORGANIZATION.

10. The Board shall meet at such times and places as it ^{Meetings.} deems necessary but shall meet at least once a year in the City of Ottawa.

11. (1) The Governor in Council may appoint an ^{Executive Director.} Executive Director of the Board, who shall hold office during pleasure and shall be paid such salary and expenses as are fixed by the Governor in Council.

(2) The Executive Director is the chief executive ^{Direction of work and staff.} officer of the Board and has supervision over and direction of the work and staff of the Board.

12. (1) The Board may, subject to the approval of the ^{By-laws.} Governor in Council, make by-laws for the regulation of its proceedings and generally for the conduct of its activities, including the establishment of advisory and other committees of the Board.

(2) Any by-law made pursuant to subsection (1) ^{Advisory committees.} establishing an advisory committee of the Board may provide for the membership thereon of persons other than members of the Board, in addition to members of the Board.

13. (1) The Board may ^{Appointment of staff.}

(a) appoint such officers and employees as are necessary for the proper conduct of the work of the Board; and

(b) prescribe the duties of such officers and employees ^{Salaries and expenses of staff.} and, subject to the approval of the Treasury Board, prescribe the conditions of their employment.

(2) The officers and employees of the Board appointed as provided in subsection (1) shall be paid such salaries and ex-

penses as are fixed by the Board with the approval of the Treasury Board.

Technical
and special
advisors.

14. The Board may engage on a temporary basis or for any period of not more than two years the services of persons having technical or specialized knowledge of any matter relating to the work of the Board, to advise and assist the Board in the performance of its duties under this Act, and with the approval of the Treasury Board may fix and pay the remuneration of such persons.

Superannua-
tion.

15. (1) The Executive Director and the officers and employees of the Board appointed as provided by subsection (1) of section 13 shall be deemed to be employed in the Public Service for the purposes of the *Public Service Superannuation Act*, and the Board shall be deemed to be a Public Service corporation for the purposes of section 23 of that Act.

Application of
Government
Employees
Compensation
Act.

(2) The *Government Employees Compensation Act* applies to the Executive Director and the officers and employees of the Board appointed as provided in subsection (1) of section 13 and, for the purposes of that Act, such persons shall be deemed to be employees in the service of Her Majesty.

Not agent
of Her
Majesty.

16. The Board is not an agent of Her Majesty and, except as provided in section 15, the members, Executive Director and staff of the Board are not part of the public service.

Appropria-
tions.

FINANCIAL.

17. All amounts required for the payment of salaries and other expenses under this Act including expenses of administration shall be paid out of moneys appropriated by Parliament for the purpose.

Audit.

AUDIT.

18. The accounts and financial transactions of the Board shall be audited annually by the Auditor General, and a report of the audit shall be made to the Board and the Minister.

Annual
report to
be made.

REPORT TO PARLIAMENT.

19. The chairman of the Board shall, within three months after the termination of each fiscal year, transmit to the Minister a statement relating to the activities of the Board for that fiscal

year, including the financial statements of the Board and the Auditor General's report thereon, and the Minister shall cause such statement to be laid before Parliament within fifteen days after the receipt thereof or, if Parliament is not then sitting, on any of the first fifteen days next thereafter that Parliament is sitting.

CHAP. 5

An Act to amend the Atlantic Development Board Act
[Assented to 31st July, 1963.]

1962-63, c. 10. **H**ER Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:

1. Section 2 of the *Atlantic Development Board Act* is amended by striking out the word "and" at the end of paragraph (b) thereof and by adding thereto, immediately after paragraph (b) thereof, the following paragraph:

"Fund" "(ba) "Fund" means the Atlantic Development Fund established by section 16; and"

2. (1) Sections 3 and 4 of the said Act are repealed and the following substituted therefor:

Board established.

3. (1) A corporation is hereby established to be known as the Atlantic Development Board, consisting of eleven members to be appointed by the Governor in Council as provided in section 4.

Constitution of membership.

(2) The membership of the Board shall be constituted in such a manner as to reflect the economic structure of the Atlantic region.

Appointment of members.

4. (1) Each of the members of the Board shall be appointed to hold office for a term of three years, except that of those first appointed four shall be appointed for a term of one year and four shall be appointed for a term of two years.

Chairman.

(2) The Governor in Council shall designate one of the members to serve as chairman of the Board during pleasure.

Eligibility for re-appointment.

(3) A person who has served two consecutive terms as a member of the Board is not, during the twelve month period following the completion of his second term, eligible for reappointment."

(2) A person who, at the coming into force of this Act, held office under the *Atlantic Development Board Act* as a

member of the Atlantic Development Board shall be deemed to have been appointed as a member of the Board under this Act

- (a) in the case of the person who at the coming into force of this Act held the office of chairman of the Board, for a term of two years, and
- (b) in any other case, for a term of one year.

(3) The term of each of the persons first appointed to the Atlantic Development Board after the coming into force of this Act and the term of each of the persons referred to in subsection (2) shall be calculated as if such term had commenced on the 24th day of January, 1963.

3. Section 6 of the said Act is repealed and the following substituted therefor:

"6. A majority of the members constitutes a quorum of ^{Quorum.} the Board."

4. The said Act is further amended by adding thereto, immediately after section 8 thereof, the following section:

"8A. (1) The Board, is for all purposes of this Act, an ^{Board agent of Her Majesty.} agent of Her Majesty, and its powers under this Act may be exercised only as an agent of Her Majesty.

(2) Subject to the approval of the Governor in ^{Contracts} Council, the Board may, on behalf of Her Majesty, enter into contracts in the name of Her Majesty or in the name of the Board.

(3) Property acquired by the Board is the property ^{Property.} of Her Majesty and title thereto may be vested in the name of Her Majesty or in the name of the Board.

(4) Actions, suits or other legal proceedings in re-^{Proceedings.} spect of any right or obligation acquired or incurred by the Board on behalf of Her Majesty, whether in its name or in the name of Her Majesty, may be brought or taken by or against the Board in the name of the Board in any court that would have jurisdiction if the Board were not an agent of Her Majesty."

5. Section 9 of the said Act is repealed and the following substituted therefor:

"9. (1) The objects of the Board are to inquire into and ^{Objects and powers.} report to the Minister upon programs and projects for fostering the economic growth and development of the Atlantic

region of Canada, and to consider, report and make recommendations to the Minister concerning programs and projects not involving the use of the Fund and programs and projects involving the use of the Fund; and without limiting the generality of the foregoing, the Board may, in furtherance of its objects,

- (a) prepare, in consultation with the Economic Council of Canada, an overall co-ordinated plan for the promotion of the economic growth of the Atlantic region;
- (b) keep under constant review appropriate methods of furthering the sound economic development of the Atlantic region, whether such methods involve new programs and projects or the removal or mitigation of existing factors that may be considered to inhibit such development;
- (c) with respect to particular programs or projects that may be referred to it by the Minister or that the Board may on its own initiative investigate, inquire into, assess and report to the Minister upon the feasibility of such programs or projects and the effect thereof in relation to the economy of the Atlantic region, and make recommendations to the Minister with respect to any such programs or projects that, in the opinion of the Board, will contribute to the growth and development of the economy of the Atlantic region; and
- (d) with the approval of the Governor in Council, enter into agreements with
 - (i) the government of any province comprised in the Atlantic region or the appropriate agency thereof, or
 - (ii) any other person, respecting the use of the Fund in financing or assisting in financing the undertaking and the carrying out of particular programs or projects described in subsection (1) of section 16.

Duty of
co-operation.

(2) The Board shall, to the greatest possible extent consistent with the performance of its duties under this Act, consult and co-operate with the Economic Council of Canada

and all departments, branches and other agencies of the Government of Canada having duties related to, or having aims or objects related to those of the Board."

6. Section 16 of the said Act is repealed and the following heading and section substituted therefor:

"ATLANTIC DEVELOPMENT FUND

16. (1) Subject to subsection 4, the Minister of Finance may, on the recommendation of the Minister, pay to the Board out of the Consolidated Revenue Fund such amounts as are from time to time required by the Board for the purpose of financing or assisting in financing the undertaking and the carrying out of programs and projects that, in the opinion of the Board, will contribute to the growth and development of the economy of the Atlantic region and for which satisfactory financing arrangements are not otherwise available.

(2) There shall be a special account in the Consolidated Revenue Fund to be known as the Atlantic Development Fund, to which shall be credited all amounts paid by the Minister of Finance to the Board under subsection (1) and to which shall be charged all payments in respect of programs or projects described in that subsection.

(3) No payments may be made by the Minister of Finance to the Board under subsection (1) except in respect of a program or project described in that subsection that has been approved by the Governor in Council.

(4) The total of all amounts that may be paid by the Minister of Finance to the Board under subsection (1) and credited to the Atlantic Development Fund is one hundred million dollars."

7. Section 17 of the said Act is repealed and the following substituted therefor:

17. All expenditures under this Act including amounts required for the payment of salaries, technical and economic surveys and other expenses including expenses of administration, except any amounts described in subsection (1) of section 16, shall be paid out of moneys appropriated by Parliament therefor." Appropriations.

8. This Act shall come into force on a day to be fixed by proclamation of the Governor in Council. Coming into force.

14-15 ELIZABETH II Appendix IV

CHAP. 31

An Act to amend the Atlantic Development Board Act.

[Assented to 11 July, 1966.]

1962-63, c. 10; 1963, c. 5. **H**ER Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:

1963, c. 5, s. 4. **1.** Subsection (2) of section 8A of the *Atlantic Development Board Act* is repealed and the following substituted therefor:

Contracts.

“(2) The Board may, on behalf of Her Majesty, enter into contracts in the name of Her Majesty or in the name of the Board.”

1963, c. 5, s. 5.

2. Paragraph (d) of subsection (1) of section 9 of the said Act is repealed and the following substituted therefor:

“(d) enter into agreements with the government of any province comprised in the Atlantic region or the appropriate agency thereof, subject to approval thereof by the Governor in Council, or enter into agreements with any other person, providing for

- (i) the undertaking by the Board of any programs or projects that, in the opinion of the Board, will contribute to the growth and development of the economy of the Atlantic region and for which satisfactory financing arrangements are not otherwise available,
- (ii) the joint undertaking by the Board and the province or agency thereof or person of programs or projects described in subparagraph (i), or
- (iii) the payment by the Board to the province or agency thereof or person of contributions in respect of the cost of programs or projects described in subparagraph (i).”

3. The said Act is further amended by adding thereto, immediately after section 9 thereof, the following section:

"9A. An agreement entered into pursuant to paragraph (d) of subsection (1) of section 9 shall, where appropriate, specify the respective proportions of the revenues from any program or project to which the agreement relates that are to be paid to the Board and the province or agency thereof or person."

4. (1) Section 16 of the said Act is repealed and the following substituted therefor:

"16. (1) There shall be a special account in the Consolidated Revenue Fund to be known as the Atlantic Development Fund established.

(2) There shall be credited to the Fund, in addition to the amounts credited thereto pursuant to subsection (1) of section 16A, all revenues of the Board under agreements entered into pursuant to paragraph (d) of subsection (1) of section 9 and there shall be paid out of the Consolidated Revenue Fund and charged to the Fund all expenditures under agreements entered into pursuant to paragraph (d) of subsection (1) of section 9.

(3) No payment shall be made out of the Consolidated Revenue Fund under this section in excess of the amount of the balance to the credit of the Fund.

16A. (1) Subject to subsection (2), the Minister of Finance may, on the recommendation of the Minister, credit to the Fund out of the Consolidated Revenue Fund such amounts not exceeding in the aggregate one hundred and fifty million dollars as are from time to time required by the Board under agreements entered into pursuant to paragraph (d) of subsection (1) of section 9.

(2) No amount may be credited by the Minister of Finance to the Fund under subsection (1) in respect of programs or projects described in an agreement entered into under paragraph (d) of subsection (1) of section 9 with a province or agency thereof, unless the agreement has been approved by the Governor in Council."

(2) For the purpose of section 16A of the said Act as enacted by this section, all amounts credited or charged to the

Atlantic Development Fund pursuant to section 16 of the said Act before the coming into force of this Act shall be deemed to have been credited or charged, as the case may be, to the Atlantic Development Fund pursuant to sections 16 and 16A of the said Act as enacted by this section.

Appendix V

MEMBERS OF THE ATLANTIC DEVELOPMENT BOARD 1963-69

<i>Name</i>	<i>Address</i>	<i>Date of Initial Appointment</i>	<i>Expiration Date</i>
Brigadier Michael Wardell (Chairman, Jan. 24, 1963-Aug. 2, 1963; Vice-Chairman, Aug. 6, 1963-Jan. 24, 1965)	Fredericton, N.B.	Jan. 24, 1963	Jan. 24, 1965
Frank H. Sobey (Vice-Chairman, Feb. 2, 1963-Aug. 6, 1963)	Stellarton, N.S.	Jan. 24, 1963	Jan. 24, 1967
Melvin J. McQuaid, Q.C. Donat Lalande Fred W. Ayre Ian M. MacKeigan, Q.C. (Chairman, Aug. 2, 1963-Jan. 24, 1969)	Souris, P.E.I. Moncton, N.B. St. John's, Nfld. Halifax, N.S.	Jan. 24, 1963 Jan. 24, 1963 Jan. 24, 1963 Aug. 2, 1963	Dec. 15, 1965 Sept. 12, 1963 Jan. 24, 1967 Jan. 24, 1969
Albert M. Martin (Vice-Chairman, April 6, 1965-Jan. 24, 1969)	Corner Brook, Nfld.	Aug. 2, 1963	Jan. 24, 1969
Robert C. Eddy Carl F. Burke Captain Maxwell Burry Stephen A. Dolhanty Armand H. Cormier Dr. Stephen Weyman Neil R. MacLeod, Q.C. Joseph A. Likely (Vice-Chairman, Feb. 7, 1969-March 31, 1969)	Bathurst, N.B. Charlottetown, P.E.I. Glovertown, Nfld. Glace Bay, N.S. Moncton, N.B. Saint John, N.B. Summerside, P.E.I. Saint John, N.B.	Aug. 2, 1963 Aug. 2, 1963 Aug. 2, 1963 Aug. 2, 1963 Sept. 12, 1963 Jan. 24, 1965 Jan. 7, 1966 Jan. 31, 1967	Jan. 24, 1969 Jan. 24, 1968 Jan. 24, 1968 Jan. 24, 1968 Jan. 24, 1967 Oct. 14, 1966 Jan. 6, 1969 Mar. 31, 1969
Simon L. Bujold C. Arnold Patterson Calvert C. Pratt Maurice J. Quinlan Michael S. Schurman Harry H. Smofsky	Moncton, N.B. Dartmouth, N.S. St. John's, Nfld. St. John's Nfld. Summerside, P.E.I. Bridgetown, N.S.	Jan. 31, 1967 Jan. 31, 1967 Jan. 31, 1967 Feb. 15, 1968 Feb. 15, 1968 Feb. 15, 1968	Mar. 31, 1969 Mar. 31, 1969 Mar. 31, 1969 Mar. 31, 1969 Mar. 31, 1969 Mar. 31, 1969

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